



**SECURITIES AND EXCHANGE
COMMISSION, GHANA**

2007 Annual Report

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MISSION STATEMENT

To promote the orderly growth and development of an efficient, fair and transparent securities market in which investors and the integrity of the market are protected through the proactive implementation of the securities Laws

STATUTORY MANDATE OF THE SECURITIES AND EXCHANGE COMMISSION, GHANA

The securities Industry Law (PNDC Law 333) as amended by Act 590, 2001, provides that the mandate of the Commission shall be as follows;

- To advise the Minister of Finance and Economic Planning on all matters relating to the securities industry
- To maintain surveillance over activities in securities and to ensure orderly, fair and equitable dealings in securities
- To formulate principles for the guidance of the industry;
- To protect the integrity of the securities market against any abuses arising from the practice of insider trading
- To adopt measures to minimize and supervise any conflicts of interest that may arise from dealers
- To review, approve and regulate takeovers, mergers and acquisitions and
- all forms of business combinations in accordance with any law or code of practice requiring it to do so;
- To examine and approve invitations to the public;
- To register, license, authorize or regulate in accordance with this Law or any regulations made under it, stock exchanges, investment advisers, unit trust schemes, mutual funds, securities dealers, and their agents and to control and supervise their activities with a view to maintaining proper standards of conduct and acceptable practices in the securities businesses;
- To create the necessary atmosphere for the orderly growth and development of the capital market;
- To undertake such other activities as are necessary or expedient for giving full effect to the provisions of the law;



Chairman's Statement

Chairman's Statement

In the past year, our capital market made enormous strides towards positioning itself as fully able to finance the economic development and wellbeing of our nation. The Commission, with the active involvement of market operators continued to educate and enlighten policy makers, investors and issuers of securities on the investment and financing role of the capital market. The year saw the Commission continuously monitoring the external environment and the activities of market operators to ensure the observance of best market conduct in furtherance of our core statutory mandate - investor protection.

In the second half of 2007, the unexpected rise of crude oil and commodity prices and resultant inflation affected the Ghanaian economy, which was just adjusting to load shedding of electricity supply to households and industry. In spite of these events, output in the real sector sustained the robustness of the Ghanaian economy and growth remained generally strong.

The resilient nature of the Ghanaian economy to these shocks, assisted to generate renewed investor confidence in the stock market. With a modest recovery in 2006, the market continued on its upward growth trajectory in 2007 ending, in a positive gain in the GSE All-Share Index of 31.84%. Capital raised on the primary market also increased by 15.4% over that of 2006. This

echoes the increasing reliance of the corporate sector of the economy on the capital market as a cheaper source of raising new capital to expand business operations and to carry out corporate strategic objectives.

The Collective Investment Scheme sector also experienced phenomenal growth in all dimensions. Total net asset value grew by 95% and funds mobilized by the sector from the public for investment also increased by 117% over that of the previous year. Similarly, the Investment Advisory/Asset Management industry recorded growth of 19.3% in total assets value under management over the same period.

The Government of Ghana continued to show unwavering commitment towards the development and deepening of the debt market during the year under review. It issued over GH¢ 1.1 billion worth of two, three and five year maturity bonds on the Ghana Stock Exchange which were all over-subscribed.

This remarkable performance and development of all segments of the capital market did not happen by chance. The process of broadening and increasing stakeholder awareness both in terms of market constituencies and geographical reach through the electronic media, during the industry's annual securities week celebrations,

initiated in 2006, served to strengthen our message and credibility for the whole market. Our active consultation and involvement with market operators in the area of public education, has always been the way forward and remains a critical path of our strategy to develop and deepen the securities industry.

During the year under review, the Commission remained committed to clear, consistent, transparent procedures and processes in the application and enforcement of the Securities Industry Law, Rules and Regulations across board. It also remained committed to the fundamental principles of consultation with stakeholders in its general framework to develop new rules and regulations for the industry. As part of this process, the Commission held consultations towards the review and adoption of a new Code on Mergers and Takeovers and Compliance Manual for broker-dealers investment advisers and representatives. These two documents are now ready for publication in 2008.

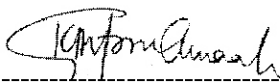
As financial markets continue to evolve at a rapid pace, sound legal/regulatory infrastructure and frameworks have become increasingly essential to maintain fairness, efficiency and transparency in the securities market. In line with this, the Commission initiated an internal microscopic review of the Securities Industry Law (SIL) intended to enhance the standard of regulation and disclosures as well as removal of regulatory

gaps, overlaps and all obstacles to capital market development in our jurisdiction. It is our avowed aim to plug all loopholes that can give rise to regulatory arbitrage and bring our market up to date with international best practices and standards.

The major concern that occupied the Commission's attention during the year was the effectiveness of the governance structure and cross- border activities of licensed Collective Investment Schemes (CIS) in the country. The Commission in effect, is taking steps to ensure that the governance framework for the organization and operation of licensed collective investment schemes are efficient and in the exclusive interest of CIS investors, and not in the interest of CIS insiders. The need has arisen to stress on the gate- keeping roles of all interested parties within the governance structure of the CIS's the board, promoters of the schemes, custodians/trustees, fund managers and share/unit holders. This must be based on sound and transparent principles designed to mitigate inherent structural and operational conflicts of interest which are always at the expense of investors.

The Commission may also like to be informed about cross-border investment activities of the CIS's. In the quest to follow attractive yields in other regulated markets outside Ghana, the temptation of fund managers to make more profit by investing in high risk, high value assets, becomes very high and this can endanger the

investments of investors in the schemes, should something go wrong. As a strategic response to this threat, the Commission has embarked on signing series of memoranda of understanding (MOU's) with regulators in other jurisdictions in Africa to share information on the activities of our licensed CIS's and also to co-operate in cross-border enforcement.



Professor G.K.A. Ofori-Amaah
(Chairman)



Report of the Director General

Report of the Director-General

Introduction

Central to our work in 2007 was the pursuit of building the regulatory capacity of the Securities and Exchange Commission (SEC) and preparing the organization for future growth and development. The strategic focus during the year therefore entailed directing resources towards training and development of professional staff; providing for a more spacious and modern office accommodation to facilitate our drive for expansion in our professional human resource base to augment the already over- stretched and insufficient staffing levels faced by the Commission. We also focused on active participation in many local and regional projects in furtherance of capital market development, and ensured close surveillance, supervision and compliance of licensed market operators with the Law, Rules and Regulations governing the Securities Industry.

We expect the outcome of our capacity building initiatives to deeply enhance staff motivation, improve the Commission's regulatory and operational oversight of the market, and ensuring that our professional and operating capacity are adequate to keep pace with the dynamics and growth of the industry. Already, these actions taken by management have started bearing fruits.

Training & Capacity Building

Staff members of the Commission were exposed to various forms of training both locally and internationally. These involved either direct tutelage under experienced trainers or participation in conferences and seminars involving securities issues.

As the capital market in Ghana evolves, it is important to build the capacity of staff to meet the emerging regulatory challenges. We are happy to note that with the support of the World Bank through a grant to the Government of Ghana, the Ministry of Finance and Economic Planning has assured SEC of its preparedness to support its capacity building programme. Such training and capacity-building, offers the already highly qualified SEC staff up for poaching. It is important to offer attractive packages to attract and retain SEC staff and also to minimize the possibility of them being influenced in one way or the other by the market.

New Office Accommodation

Since its establishment, the Securities and Exchange Commission has been occupying rented premises. The smallness of the office space has always been one of the limiting factors in the expansion of the Commission. In 2006, after exhausting all avenues for the allocation of a plot by the State, the Board and

Management acquired private land up for sale. Steps were immediately initiated to put up prefabricated offices on the newly acquired plot. Within a space of four months SEC moved into its new modern offices. This offers staff a better working environment for the performance of their duties. It is important to add that all acquisitions related to the new office including its construction were done in compliance with the Procurement Law of Ghana.

SEC extends its appreciation to the Government of Ghana for the financial and facilitating support it obtained from the Ministry of Finance and Economic Planning in the construction of the new SEC Offices.

Market Infrastructure

The Commission took keen interest in the **Automated Trading System (ATS)** being installed by the Ghana Stock Exchange (GSE). The Commission closely monitored progress of work and collaborated with the systems engineers and management of the Exchange to ensure that the system's architecture would be in conformity with the approved trading rules and relevant sections of the Securities Industry Law, Rules and Regulations. It was also agreed that the ATS would provide access to an alert system and make it possible for an audit trail system to be installed to enable the Commission conduct proper real- time surveillance over the market leading to thorough investigations into traces of market manipulation and abuse, such

as insider trading, should they arise. For the purposes of market development, the Commission embraced the prospect of providing an in-built Wide Area Network (WAN) to facilitate trading in securities nationwide. To a large extent, this will inject a lot of liquidity into the market and bring the capital market to the door step of Ghanaians all over the country.

Automation of trading by the GSE automatically requires the Commission to also be catalytic in the utilization of technology in our surveillance, supervisory and monitoring operations and to facilitate electronic filing and reporting with the Commission by market operators. For this reason, the SEC initiated procurement procedures which will lead to a project to supplement its manual surveillance of the market with an **automated surveillance with in-built alerts system**. This will be linked to the GSE's ATS and to the systems of the broker-dealers. The Commission is far advanced with the established procurement procedures to have the system installed. When completed, this will result in a radical upgrade in resources and capacity to enhance effective supervision of the market.

2007 was a landmark in the history of Ghana's monetary development and policy. The local currency, the Cedi, was re-denominated by dividing old Cedi units by 10,000 to obtain the new Ghana Cedi. The exercise had a direct effect on securities transactions as they affected

values of securities during the rounding-up of securities prices. To avoid un-even losses and gains in various equities and bonds, the Commission worked closely with the Ghana Stock Exchange, market operators, the Bank of Ghana and other stakeholders to find a solution to the problem. It was decided that prices of securities be initially quoted in four digits until such a time that prices would automatically adjust to eliminate all losses and gains during rounding-up to give way to two digit price quotations. This has worked very well.

Regional Co-operation

The reporting year also witnessed serious attempts at **regional integration of West-African stock exchanges the Ghana Stock Exchange, Nigeria Stock Exchange and the BVRM of Cote D'ivoire**. Senior staff of the SEC actively participated in various deliberations and fora on the subject. They also served on various sub-regional committees formed to look into regulatory and operational aspects likely to affect the integration process. Some of the issues that came to the fore included, treatment of cross listing of securities, harmonization of takeovers and mergers rule, Securities Industry Laws, accounting and auditing standards, listing rules, trading, settlement and depository rules and matters relating to cross border enforcement and conflict resolution. Serious consideration was also given to the subject of a common passport and trading platform on which nationals and firms in the West-African sub-region could trade

in securities without any hindrance. There were regional meetings in Accra, Abuja and Abidjan to review various models of integration.

On the regulatory front, there was tremendous amount of **co-operation among the regulators of the securities industry of Ghana, Nigeria and the UMOA Countries** in resolving cross border disputes involving shareholder rights and allegations of breach of stock exchange rules. The three regulators also co-operated in promoting and assisting companies in cross border listing of securities in the region. The Director-Generals of the above regulators who met in Accra and Abidjan during the year, pledged to continue working together to ensure the growth and development of the West- African capital markets.

Enforcement And Compliance

One of the major highlights of our work during the year was the significant improvement seen in the enforcement of Securities Industry Law, Rules and Regulations. Most offenses were met with a number of penalties including imposition of fines which were promptly paid and settled with the Commission. The SEC continued to rely on preventive rather than remedial enforcement actions as a deterrent strategy in our investor protection mandate. This succeeded in deterring improper practices or activities that might bring the integrity of the market into disrepute.

As a complement to the above strategy, we were

also able to streamline our ongoing supervision of the market which brought a number of changes in our regulatory policy aimed at ensuring market stability and eliminating or minimizing losses to investors in the event of stringent enforcement actions against market operators, such as, suspension and revocation of licenses. In line with this, we adopted a policy of helping out licensed market operators who are genuinely in need of assistance to fix their internal systems, processes, procedures and problems. This flexibility in our regulatory and enforcement regime or approach has rather helped our licensed market operators to open up to the Commission and to become more forthcoming with information requiring joint redress and action.

As an extension to the above adopted approach, we organized an interactive workshop for all Compliance Officers and discussed issues relating to recurring compliance lapses identified by our Inspections division over a period. The compliance officers were able to grasp an in-depth understanding of the expectations of the Commission and common infractions committed by securities industry firms. We were also given an opportunity to have a peep into some of their limitations and frustrations as gate-keepers and 'violation stoppers' in their firms. Some of the major limitations and obstacles facing some of the compliance officers identified during the workshop included, wrongful placement and reporting lines and direct involvement in

trading activities which compromised their supposedly neutral watchdog role in their respective firms. These are currently being addressed. These and other measures which would be continued in subsequent years, made the market generally compliant in this reporting year.

Over-The-Counter Securities Market

Work on rules and regulations to provide an alternative capital raising platform for SMEs and to formalize the conduct and regulation of the existing over-the-counter securities market progressed steadily. The outcome of this project would also offer existing shareholders and investors in unlisted securities a more efficient and effective share price discovery mechanism and market liquidity. It is our hope that the project would be completed soon to help with the growth and development of the SME sector in the country's economy.

Public Education

The Commission continued with its public education drive by holding yet another securities week celebration. The theme chosen was "**A paradigm shift in wealth creation: The role of the Capital Market**". Feedback received from the public and the media, together with increased activities on the capital market, is a clear testimony of the positive impact and success our public education drive is having on the capital market development in the country. We plan to continue with this initiative and also undertake further

educational activities so as to ensure that majority of Ghanaians understand the dynamics of the capital market and the rights and obligations expected of them as shareholders and investors.


International Co-operation

The Securities and Exchange Commission of Ghana continued to participate in activities aimed at global regulatory schemes. To this end, SEC continued with its membership of the umbrella-body The International Organization of Securities Commissions (IOSCO) and its regional bodies. Ghana has been working hard to fulfill all requirements for the signing of IOSCO's Multilateral Memorandum of Understanding (MMOU) which will offer Ghana a 'Signatory-A' status within IOSCO, allowing for sharing of information and cooperation with sister regulatory agencies. Unfortunately, SEC could only be given a 'Signatory-B' status, pending the revision of aspects of our Securities Industry Laws (SIL) which do not grant operational independence to SEC. SEC is working closely with the relevant government agencies to amend the SIL before IOSCO's deadline in 2010.

While waiting to become a full signatory to IOSCO's MMOU, SEC is working out a scheme to sign bilateral MOUs with as many regulatory institutions as possible, in particular, those within Africa.

Conclusion

In 2007, we have seen the SEC chartering a new road map towards the development of the capital market alongside a well considered strategy of developing our regulatory and supervisory capacity. To be successful in this endeavour, especially in fulfilling our statutory mandate, we rely on the cooperation and understanding of our many stakeholders. We will continue to embrace their constructive contribution towards making our services and role in the capital market more relevant to the needs of our clients, investors and the nation. We will continue to focus on our priorities to provide better regulation for greater opportunities to meet the challenges of our time. I am deeply indebted to all the people whose interaction, interest, assistance and criticisms have made this great vision and improved performance in our organization possible. I sincerely thank the board and particularly staff of SEC for remaining focused and committed to the vision of steering our way forward in the midst of difficulties and many distractions. Thank you all once again.



Dr. Nii Kwaku Sowa
(Director- General)



The Commission and Corporate Governance

The Commission And Corporate Governance

The Securities and Exchange Commission, Ghana, is supervised by an eleven member Board of Directors called Commissioners and chaired by a non- executive Chairman. All members of the Board are appointed by the President of the Republic of Ghana on the advice of the Public Services Commission and the Board. The SEC is managed by an executive member team of three headed by the Director- General. The Securities Industry Law made provision for institutional representation on the Board as follows:

- ♦ Office of the Registrar- General
- ♦ The Ministry of Finance & Economic Planning
- ♦ Bank of Ghana
- ♦ The judiciary

The powers of the Securities and Exchange Commission is vested in the Board or Commissioners and executed on their behalf by a secretariat of professional staff. The Securities Industry Law that established the SEC provides that the powers and functions of the Board shall be as follows:

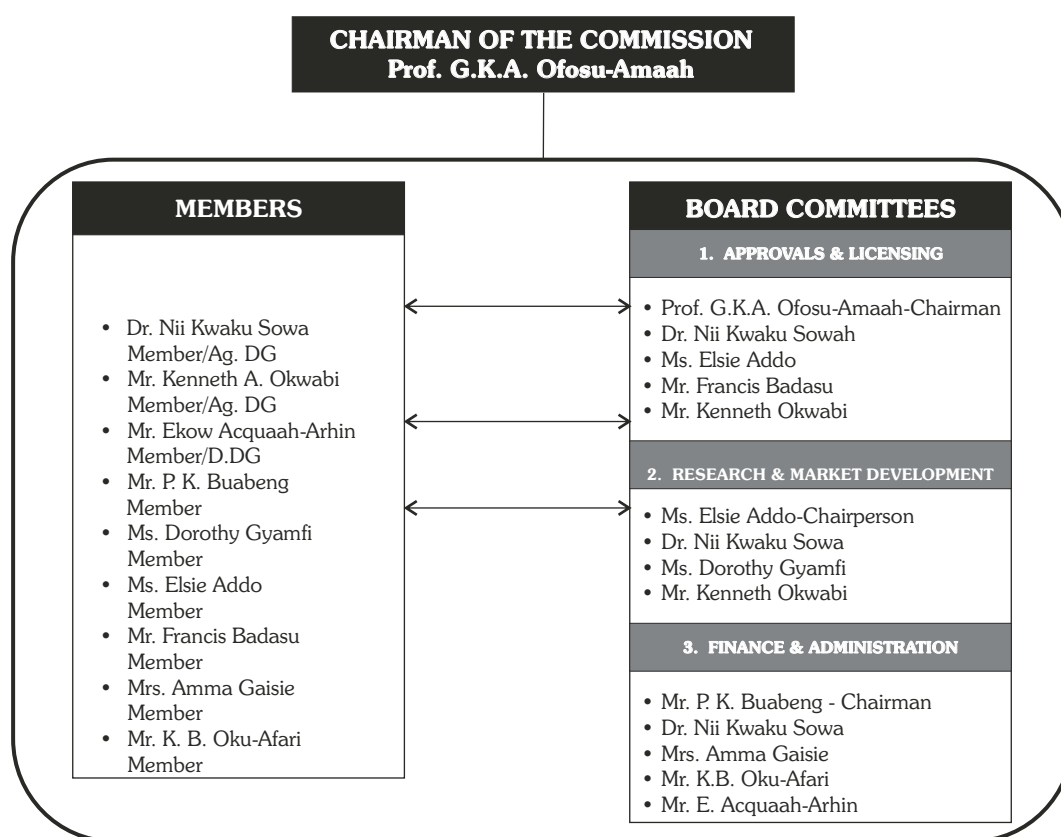
- ♦ To advice the Minister of Finance and Economic Planning on all matters relating to the securities industries
- ♦ To maintain surveillance over activities in securities and to ensure fair and equitable dealings in securities

- ♦ To formulate principles for the guidance of the industry;
- ♦ To protect the integrity of the securities market against any abuses arising from insider trading
- ♦ To adopt measures to minimize and supervise any conflict of interests that may arise from dealers
- ♦ To review, approve and regulate takeovers, mergers and acquisitions and all forms of business combinations in accordance with any law or code of practice requiring it to do so;
- ♦ To examine and approve invitations to the public;
- ♦ To register, license, authorize or regulate in accordance with this Law or any regulations made under it, stock exchanges, investment advisers, unit trust schemes, mutual funds, securities dealers, and their agents and to control and supervise their activities with a view to maintaining proper standards of conduct and acceptable practices in the securities businesses;
- ♦ To create the necessary atmosphere for the orderly growth and development of the capital market;
- ♦ To undertake such other activities as are necessary or expedient for giving full effect to the provisions of the law;

Corporate Governance Structure

The corporate governance structure of the Board or the Commission is set out below;

CORPORATE GOVERNANCE STRUCTURE



In the exercise of its powers and functions, the Board can establish various working committees and sub-committees to deliberate on issues and make recommendations to the general Board for ratification and adoption. In formulating structures and general operational principles for the guidance of the work of appointed members of each committee, the

Board ensures that each member serves on at least a committee but not more than two committees at a time. Deliberations of members of the Board and Committees are also guided by the principles of checks and balances, independent opinion, consensus building and corporate governance aimed at preventing conflicts of interest.

Under the direction of the Chairman, there were six (6) Board meetings and several committee meetings at which monitoring of execution of key decisions, directives and resolutions among others, were undertaken in line with good corporate governance practices and standards.

During the reporting year, there were three main working Committees in operation as follows:

- ♦ Approvals & Licensing Committee
- ♦ Finance & Administration Committee
- ♦ Research & Market Development Committee

Corporate Governance Policy

In accordance with the SEC's Code and Guidelines on Corporate Governance, the Board emphasized the adoption of corporate governance practices among its members, management and staff in the performance of their respective responsibilities. Emphasis was placed on the observance of the following core principles:

- ♦ **Conflicts of Interest:** This enjoins all Board members to report officially to the board on situations in which they have vested interest which may give rise to conflicts of interest. By virtue of this provision, Members of the Board as well as management and staff are to avoid any actions that may compromise their position and cause conflicts of interest.
- ♦ **Confidentiality:** Board Members, Management and Staff are required to keep in strict confidence, any confidential

data, information or material obtained in the course of duty and must not take advantage of any such undisclosed information.

- ♦ **Impartiality:** Board Members, Management and Staff are expected to perform their duties and make decisions with all honesty, integrity, morality, fairness, devoid of partiality and vindictiveness for the benefit of all parties in the market.
- ♦ **Investment in Securities:** Board Members, Management and Staff of the Commission are required to declare their personal and related interest in securities in the '**register of staff interest in securities**' every quarter. This implies that Members of the Board and Staff of SEC are permitted to invest and trade in securities on the market but must report such transactions officially in the prescribed register.

Stakeholder Relations

In line with the fulfillment of the Commission's corporate governance responsibility towards its stakeholders, the SEC continued to make available various channels of communication through which constructive dialogue and interaction took place. This included regular updates and information provided on the SEC official website www.secghana.org as part of stakeholders' right to know. Similar updates were put in public domain via radio, television and in the print media in the form of announcements, news and interviews.

In 2007, the Commission used the newly established public education week, “Securities Week”, to launch a wider dissemination of market knowledge and information to all stakeholders including investors, policy makers, market operators, students, academics, private sector entrepreneurs and the general public. On investor protection, the Commission provided various channels for receiving public complaints e-mails, phone calls, fax, letters, walk-in etc. As part of the Commission's investor protection mandate, we also examined the news papers, comments, news from radio and television as well as market reports and statistics to follow up on investor complaints and suspicions on issues relating to market abuse.

Circulars & Notices Issued

Under the powers conferred by the Securities Industry Law, the Commission issued the following circular, notices and market guidance notes to ostensibly remove possibilities of abuse arising from conflicts of interest and to streamline the issuing of securities to the public ;

1. MARKET GUIDANCE NOTE SEC/LED/MG-circ/IPO/0507/001 APPOINTMENT BY ISSUERS OF INDEPENDENT AGENCIES IN RESPECT OF IPOs AND OTHER INVITATIONS TO THE PUBLIC

This Market Guidance Note is issued pursuant to the Securities Industry Law, 1993 (PNDCL 333) s. 9(d).

The following guidelines are provided to aid the

process of issuing securities to the public. These guidelines will be used in all Initial Public Offers (IPO) as well as Additional Listings in which case the details will be varied as appropriate.

i. Where an Issuer is making an offer to the public in respect of the acquisition of or makes an invitation to the public to trade in its securities, the applicant must appoint a Lead Manager to manage its application. Where the applicant is affiliated to the Lead Manager or sponsoring dealer, an independent (and additional) Lead Manager or sponsoring dealer **shall** be appointed to sponsor or manage the application and the Lead Manager or sponsoring dealer affiliated to the applicant (Issuer) may co-sponsor the application.

ii. In respect of an IPO, a bank affiliated to the Issuer shall not be accepted as the receiving bank of the escrow account to receive subscriptions from the public. The Issuer shall be required to appoint an independent receiving bank to manage the escrow account into which subscriptions shall be paid and such appointment shall be reflected in the Escrow Agreement and submitted to SEC for approval.

These guidelines shall protect the interests of the investing public and are effective forthwith.

2. MARKET GUIDANCE NOTE SEC/LED/MG-circ/IPO/0907/001 APPOINTMENT BY ISSUERS OF INDEPENDENT REGISTRARS IN RESPECT OF IPOS AND OTHER INVITATIONS TO THE PUBLIC

This Market Guidance Note is issued pursuant to the Securities Industry Law, 1993 (PNDCL 333) s. 9(d).

The following guidelines are provided to aid the process of issuing securities to the public. These guidelines will be used in all Initial Public Offers (IPO) as well as Additional Listings in which case the details will be varied as appropriate.

Where an Issuer is making an offer to the public in respect of the acquisition of or makes an invitation to the public to trade in its securities, the applicant must appoint an independent i.e. unaffiliated Registrar for the purposes of issuing certificates, maintaining the Issuer's register of shareholders, paying dividends to the shareholders and performing all other functions and duties of a registrar. For the avoidance of doubt, the Registrar shall not be a subsidiary of or affiliated to the Issuer.

This directive in relation to the Registrar applies for as long as the Issuer remains listed on the stock exchange. If therefore upon the conclusion of the IPO or an Additional Listing, the Issuer chooses to appoint a new Registrar, that Registrar shall again not be a subsidiary of or be affiliated to the Issuer.

These guidelines shall protect the interests of the investing public and are effective forthwith.

3. NOTICE ON INITIAL PUBLIC OFFER (IPO) AND RIGHTS ISSUES

The following guidelines are provided to aid the process of issuing securities to the public.

Initial Public Offer (IPO) And Rights Issues

A. Public Offers

In the light of increased issues of securities to the public and recent developments with the flotation of IPOs, it has become necessary for the Commission to provide a guide to the market to streamline the process.

In furtherance of the above, the attached guidelines have been developed by SEC. The guidelines are based on the provisions of the Securities and Exchange Regulations 2003, LI 1728 and do not replace the Law and Regulations.

The Commission in addition to the provisions set out in Regulation 51 and Schedule 5 Part II A of LI 1728, issues the following notices to guide market participants.

- i. Issuers are reminded that the proceeds of any public offer/ rights issue are to be used in strict accordance with the purpose(s) indicated in the offer document.
- ii. The Commission will continue to undertake Post-IPO/Post-Rights Issue

inspections to ascertain whether proceeds of the IPO/Rights Issue have been/are being utilised as indicated in the offer document.

- iii. Issuers are required to disclose all fees to be paid out to persons or bodies in pursuance of the IPO / Rights Issue. The Commission shall require the refund of all amounts disbursed from the proceeds of the offer which were not disclosed e.g. 'success fees' and other such fees however described. The Lead Manager shall be required to refund all such monies which were illegally paid out to recipients. The Commission reserves the right to investigate all payments to be paid out to persons or bodies in pursuance of the IPO / Rights Issue.

The Commission wishes to remind Issuers that full disclosure of use of proceeds of IPO / Rights Issue is a requirement under the law as it enables investors to make informed decisions.

B. Approval required in the instance of change of use of the IPO /Rights issue funds as contained in prospectus

Issuers shall require the approval of the Issuer's registered shareholders granted at an Annual General Meeting or Extraordinary General Meeting before funds raised by the offer are used for any other purpose other than those disclosed in the offer document.

A resolution to this effect when taken shall be communicated to the Commission.

The involvement and/or decisions of shareholders in the above-mentioned action at the AGM or EGM is necessary as the law requires that the shareholders receive full disclosure of all information that will enable them to make an informed decision.

C. Flotation Expenses

The Securities and Exchange Commission acknowledges that some expenses must necessarily be incurred in any Initial Public Offer or Rights Issue. The Commission has however noted with disquiet that the flotation expenses incurred in some IPOs / Rights Issues amount to as much as 10% of the proceeds raised.

The Commission is concerned that such expenditure prejudices the purpose for which the money was ostensibly raised, i.e. the proposed expansion of the Issuer's business. As the underlying purpose of the flotation is the increased value of the shareholders' investment, the Issuer should endeavour to increase or maximize the net proceeds of the flotation for the expansion of the business. The Commission therefore directs that total flotation costs should not exceed 5% of the total amount to be raised.

D. Reporting Accountant

LI 1728 Regulation 51 and Schedule 5 requires that an Offer Document should contain a report by an accountant, i.e. normally referred to as the 'reporting accountant'. The law also requires

that the reporting accountant should be an accountant qualified to be appointed auditors of the issuer or other qualified accountants acceptable to SEC. The offer document should contain disclosures, on the identity and addresses of the issuer's auditors and reporting accountants.

Further to these statutory requirements, the Commission has determined that for the protection of investors and to ensure transparency and independence of functions, the reporting accountant in a public issue:

- i. shall not be the same as the Issuer's external auditors;
- ii. Shall not be the same as the Issuer's accountants who may be carrying out normal accounting functions or performing any other services for the Issuer.

E. Introduction of Processing fee for Review of Prospectuses

The SEC in its review of prospectuses submitted by proposed Issuers, has found it necessary to offer both technical advice and editorial

services to Issuers in order that their offer documents meet international standards. The SEC has on numerous occasions had to perform this preliminary (and often extensive) screening before the offer documents are laid before the Approvals & Licensing Committee.

This service which the SEC has hitherto been providing gratis takes a heavy toll on the SEC's human resources and detracts from its other statutory duties. The Commission is of the view that it is proper Issuers pay for this crucial and invaluable service it provides as in other emerging markets. The Commission has therefore proposed the following scale of processing fees for the review of prospectuses with immediate effect:

- i. ₵20,000,000.00 (GH¢2,000) for first submission
- ii. ₵10,000,000.00 (GH¢1,000) for all re-submission due to material omissions or discrepancies identified by the Commission after initial review at the first submission.



Economic Review

Economic Review

Introduction

Ghana's economic direction in 2007 was driven mainly by a fiscal policy oriented towards economic stabilization and growth. This entailed a policy framework geared towards efficient revenue mobilization and prudent expenditure management. Monetary policy on the other hand, remained focused on a 'single digit inflation targeting' model which was anchored on reduction of inflationary pressures, maintaining price and exchange rate stability.

These underlying fiscal and monetary policies helped to sustain the robustness and stability of the Ghanaian economy for the first three quarters of the year. During this period, inflation trended downwards from 10.9% at the beginning of the year to 10.1% by the end of October. This brought a lot of measured optimism that the Central Bank could for the first time meet and sustain its single digit inflation target. There were also marked improvements in output, external account balances and the country's foreign exchange reserves. However, during the last quarter of 2007, the economy was badly shaken by emerging underlying risks to the global economy rising crude oil prices being the major risk to batter the Ghanaian economy into retreat causing the fiscal gap to widen and bringing inflation to a peak of 12.75% by the end of December.

Adverse developments during the last quarter of the year also resulted in marginal growth of Gross Domestic Product (GDP) from 6.2% in 2006 to 6.4% by the end of the year. This was slightly below the projected growth target of 6.5%

Real Sector Developments

The three main sectors that contribute to the nation's development and economic growth has been agriculture, industry and the services' sectors. Each contributes in diverse ways to add to growth and development of the nation. However the main sector that has been the greatest contributor to development and growth is agriculture.

The agricultural sector grew at 4.3 percent against a projected target of 6.3 percent, indicating a fall of 2.0 percentage points below target. Compared to 2006, growth in the sector declined by 1.7% (down from 5.7%). This shortfall can be attributed to erratic rainfall pattern and flooding in the northern part of the country which destroyed several crops and arable lands (the region being one of the most important food baskets in Ghana). Another factor was the relative decline in the fisheries sub-sector, particularly in the area of dwindling marine and aquatic fisheries resources.

The Industrial sector in 2007 was seriously affected by adverse environmental conditions which constrained achievement of projected growth target of 7.4 percent. The sector was faced with higher utility and energy costs driven by power shortages and increases in crude oil prices. Against the background of knock-on effects of rising crude oil prices on the international commodities market, the sector also had to contend with the challenge of high input cost inflation in the face of intense price competition from imported merchandise from abroad, particularly China. The over-liberalized trade policy regime of government and a generally non-discriminatory or non-cluster based tax system therefore made the operating environment for industry quite difficult.

The Services sector which is not so dependent on electricity was projected to grow at 8.2 percent exceeding the 6.7 percent target by 1.5 percentage points. Apart from transport, storage and communication sub-sectors which grew below the 2006 level, the other sub-sectors exceeded the 2007 outturn. The wholesale and retail trade and financial sub sectors exceeded their targets.

On the whole, the real sector of the economy was fairly stable and strong with indicators showing an expansion in the economic base of the country. For example, income and corporate tax collections grew by 22.4% over that of 2006; workers contribution to social security increased by 45.0% and retail sales index also went up by

37.0%, whilst the total number of job offers rose by 0.57% over that of 2006.

Monetary Developments

The Bank of Ghana continued to maintain its anti-inflationary monetary policy stance adopted since 2001. Monetary policy has been focused on attaining a single digit inflationary framework through a deliberate disinflation process aimed at stemming the tide of inflationary pressures, stabilization of prices and maintenance of the exchange rate regime within the expectations of the market.

Money Supply

The monetary stance of the Central Bank saw a slight increase in broad money supply. Broad money including foreign currency deposit (M2+) grew by 7.5% in the last quarter to close the year at GH¢5,767.4 million. In year on year terms, M2+ grew by 36.3%, which represents a slow down of 2.5 basis points compared with 38.8% in 2006. Reserve money also grew by 17.1% in the last quarter of the year, down from 36.3% recorded for the same period in 2006. On year on year basis, reserve money grew at 30.6% in 2007 compared to 32.3% in 2006. According to Bank of Ghana statistics, time and savings deposits increased by 48.1% to GH¢1,826 million by the end of the reporting year, compared with 27.0% in the preceding year and foreign currency deposits also went up by 10.0% to GH¢992.9 million. Overall, this constitutes 17.2% growth in broad money supply recorded for 2007.

The above suggests that the Central Bank's deliberate policy of restraining inflationary pressures through the application of brakes on money supply and monetary growth, to some extent worked to halt the forward march of inflation on the Ghanaian economy during the last quarter of the year. Monetary tightening was induced by the sudden volatility in crude oil prices which exerted undue pressure on the disinflation process getting to the end of the year. In early January, Crude oil prices were expected to trend downwards from US\$54.47 per barrel. However the prices continued to rally on the international commodities market to end the year at US\$100.00 per barrel. This represents a 50.4% increase over the price level recorded for December, 2006.

Inflation

With 2006 year end inflation of 10.5%, there was quite a tremendous amount of optimism that the monetary authorities could far exceed their single digit inflation target in 2007. This however was not to be, as the economy was seriously battered by sharp volatility in crude oil

prices. The fragility of the economy to global and local downside risks was sharply exposed.

Pass-through effect of international crude oil prices on domestic prices - rising food prices and utility tariffs - combined to push up both headline and core- inflation, particularly during the last quarter of the year. In the first quarter, inflation declined from 10.9% at the end of January to 10.3% at the end of March and rose again to 10.7% at the end of the second quarter in June. In the third quarter, it trended downwards between 10.1% and 10.2% as food prices eased and became readily available with the advent of the harvest season. The crude oil price hikes which heightened during the last quarter of the year pushed headline inflation from 10.1% in October to 12.7% by the end of December. The resulting cost- push or pass-through inflation also pushed core inflation (which is defined to exclude energy and utility items) from 8.2% at the end of September to 9.4% in December, 2007. Inflationary trend in 2007 is depicted in the table and graph below.

Table 1: Inflationary Trend in 2007

Year	GDP Growth Rate	Rate of Inflation	T-Bill Rate	Ave. Lending Rate	Prime Rate	Cedi - Dollar Depreciation Rate
2000	3.74	40.5	38.0	47.0	27.0	49.50
2001	4.20	21.3	27.6	43.8	27.0	3.7
2002	4.50	15.2	26.6	38.5	24.5	14.1
2003	5.20	23.6	18.7	32.8	21.5	4.5
2004	5.80	11.8	17.1	28.8	18.5	2.2
2005	5.80	14.8	11.5	26.0	15.5	0.9
2006	6.20	10.5	9.6	23.8	12.5	1.6
2007	6.30	12.7	10.6	28.0	13.5	4.0

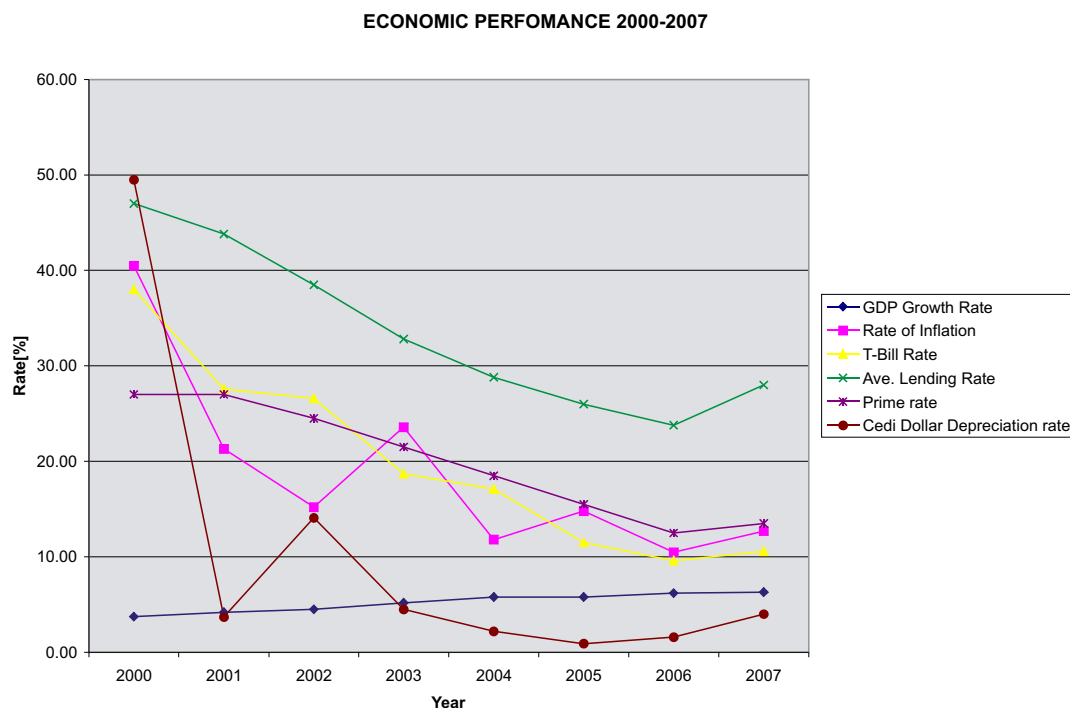
Source: Bank of Ghana, Government of Ghana Budget Statement 2007 and Ghana Statistical Service.

It is instructive to note that over the period, reductions in prime rate by the Central Bank have also contributed to consistent reductions in lending rates from as high as 47.0% in 2000 to 12.5% in 2006 and 13.5% in 2007. As a result of this, private sector access to credit has also continued to improve since 2000. For example according to Bank of Ghana report, private sector share of domestic credit increased from 35.2% in 2000 to 57.7% in 2006 and 59.8% in 2007. It is also interesting to note that decline in public sector borrowing is also partly responsible for the availability of credit to the private sector as banks are compelled by reductions in Treasury Bill rates and interest

rates of government related debt instruments, to reduce their investments in government debt instruments, thereby freeing resources to the private sector.

Prudent fiscal and monetary policy measures have also helped to stabilize the local currency, the Cedi, against the country's major international trade currency, the United States Dollar. Compared to a high depreciation rate of about 50.0% in 2000, the Cedi has maintained a great measure of stability over the period improving to 0.9% depreciation rate in 2005. It went up to 1.6% in 2006 and 4.0% in 2007 as a result of external global economic pressures.

Chart 1



Source: SEC Research & Market Development Department.

Growth in the Ghanaian economy has generally been accelerating since 2000, rising from 3.74% in 2000 to 6.2% in 2006 and 6.3% in 2007. By Sub-Saharan African standards, these growth rates have been quite impressive, but still lower than the 10% annual growth rates required to project the country into a middle income economy.

Inflation generally trended downward over the course of the period under consideration, from 40.5% in 2000 to 10.5% in 2006 and climbed up to 12.7% in 2007 as a result of downside risks associated with the global economy - the sub-prime crisis, rising global inflation arising from upsurge in food, crude oil and commodity

prices etc.

The sustained macroeconomic stability depicted by the above economic indicators, has come under pressure since the last quarter of 2007, as inflation has been on the upswing as a result of widening fiscal deficit, the oil price shocks and its attendant transmission effect on prices of food and other goods and services in the economy.

In the commodity sector, agricultural production has recorded significant improvement, with average growth in output recording increases from 3.6% between 2000 and 2002 to 5.8% between 2003 and 2006. Cocoa sub-sector

substantially accounted for the rise in agricultural GDP growth. The contribution of agricultural commodities to Ghana's non-traditional exports increased over the same period from 18.6% to 22.1%. It must however be noted that credit to the sector has not been encouraging and average yields for major agricultural commodities have barely changed since 2000.

above has provided a stable platform for the development and growth of the capital market, particularly the stock market. With the exception of the bearish market recorded in 2005, all stock market indices showed positive outturn. Total market capitalization, volume and value of shares traded, number of listed companies and the GSE All-Share Index have all shown consistent growth over the period as the table depicts;

Impact on the Capital Market

Stability of the macro-economy as indicated

Table 2: Stock Market Statistics (2000 - 2007)

Year	No. of Listed Companies	Total Market Capitalization (GH¢ Million)	Value of Shares Traded (GH¢ Million)	Volume of Shares Traded (Million)	GSE-All Share Index (%)
2000	22	365.50	5.06	30.72	16.55
2001	22	390.40	9.23	55.30	11.42
2002	24	618.38	8.94	44.12	45.96
2003	25	1,261.68	38.93	96.33	154.67
2004	30	9,761.48	65.59	104.35	91.33
2005	29	9,185.73	46.44	81.40	-29.85
2006	32	11,249.60	47.60	98.29	4.97
2007	32	12,368.60	140.71	287.22	31.84

Source: Ghana Stock Exchange

Between 2000 and 2007, total market capitalization of the Ghana Stock Exchange has recorded growth of about 3,284.0%. Total volume and value of shares traded have increased by 834.9% and 2,680.8% respectively over the same period. The number of listed companies has also increased from 22 in 2000 to 32 in 2007 representing an increase

of 45.5%. Measured by the GSE- All Share index, the stock market has over the period under review, recorded appreciable returns on investment. All this are indicative of the impact of macro-economic stability on the stock market between 2000 and 2007.



Capital Market Developments

Capital Market Developments

The Equity Market

The Secondary Market

With an average daily trading value of GH¢0.54 million, the Ghanaian Stock Exchange's (GSE) All- Share Index continued with its growth momentum gathered last year from 5,006.02 points to close at 6,599.77 points thereby gaining a year- end change in Index of 31.84% as against 4.97% recorded in 2006.

The impressive performance was largely due to continued investor confidence against a background of reduced inflationary expectations aided by favorable macro-economic variables. The benchmark 91- day Treasury Bill rate which on average stood at 10.62% against average inflation rate of

11.40% together with declining yields on short-term financial assets, caused several investors to shift their preference to long-dated securities which could give them positive rate of returns.

From the graph and table below, the stock market began to make positive real rate of return on investment from the month of August when the percentage gain in index (11.01%) for the first time rose above the rate of inflation (10.40%). This continued right to the end of the year. There was no doubt that with a year-end inflation rate of 12.75% and a gain in the GSE- All Share index of 31.84%, the stock market provided a better investment option for investors. The table below compares percentage change in index to rates of inflation in 2007.

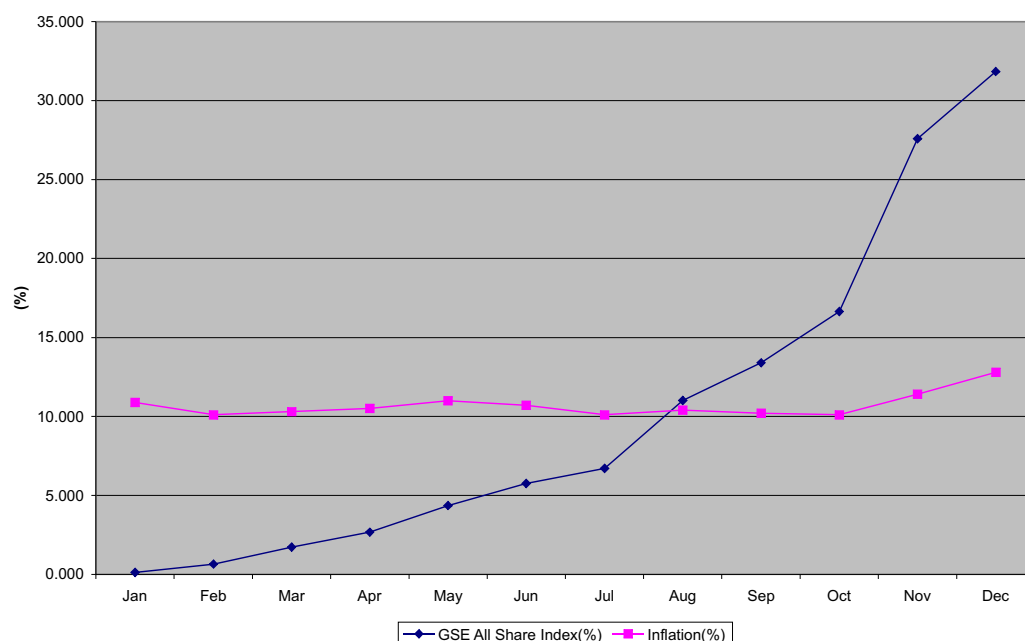
Table 3: Stock Market Performance against Rate of Inflation 2007

MONTH	YEAR-TO-DATE CHANGE IN GSE ALL- SHARE INDEX (%)	INFLATION RATES	REAL RATE OF RETURN (%)
JANUARY	0.12%	10.90	- 10.78
FEBRUARY	0.65%	10.10	- 9.45
MARCH	1.72%	10.30	- 8.58
APRIL	2.67%	10.50	- 7.83
MAY	4.36%	11.00	- 6.64
JUNE	5.76%	10.70	- 4.94
JULY	6.71%	10.10	- 3.39
AUGUST	11.01%	10.40	0.61
SEPTEMBER	13.40%	10.20	3.20
OCTOBER	16.65%	10.10	6.55
NOVEMBER	27.59%	11.40	16.19
DECEMBER	31.84%	12.75	19.09

Source: Ghana Stock Exchange & Ghana Statistical Service

Chart 2

A Graph of Stock Market Performance Against Inflation: Jan-Dec 2007



Trading Activity

Total volume and value of shares traded during the year under review were 287.22 million and GH¢140.71 million respectively, against 98.29 million shares valued at GH¢ 47.60 million respectively for 2006. This represents an increase of 192.2% in volume and 195.6% in value terms respectively.

The main catalysts to improved performance in trading activities were unattractive interest rates in the money market, improved dissemination of market information to investors on various stocks, complemented by the Securities Week organized by the Commission. This brought to the limelight the importance of the capital market as an alternative wealth creation vehicle.

The year started off with slow trading activity during the first two months. Trading however picked - up during the last month of the first quarter of the year with significant block trades

in a banking stock. This trend continued in April, May and June. The most significant month which saw brisk trading activity was in August which recorded the highest trade volume (66.61 million shares) and the second highest in trading value. There were significant rallies during the last quarter of the year with a combined trading volume contribution of 81.40 million shares. This assisted to move up the percentage change in the All-Share Index from 13.40 in September to close the year at 31.84%.

The month of September could be described as a lean season in market transactions for 2007. This is mainly attributed to the re-opening of schools and the beginning of the academic calendar in Ghana. This is a period in which parents and guardians invest less and become more pre-occupied with the payment of fees and enrollment of their wards in school. Below is a summary of trading activity on the stock market from January to December 2007.

Table 4: Market Summary (January - December, 2007)

Month	Volume Traded (Mil)	Value Traded (GH¢Mil)	No. of Listed companies	Market Cap (GH¢Mil)	GSE All-Share Index	GSE All-Share Index (% change YTD)
Jan. 07	6.39	9.72	32	11,253.29	5,012.16	0.12%
Feb. 07	4.76	1.79	32	11,272.89	5,044.89	0.65%
Mar. 07	41.73	9.46	32	11,301.35	5,092.25	1.72%
Apr. 07	36.10	36.68	32	11,330.74	5,139.65	2.67%
May. 07	27.75	8.40	32	11,431.70	5,224.47	4.36%
June. 07	19.12	12.57	32	11,474.40	5,294.58	5.76%
July. 07	10.57	6.06	32	11,504.50	5,341.76	6.71%
Aug. 07	66.61	27.45	32	11,707.71	5,557.38	11.01%
Sept. 07	2.80	1.60	31	11,750.66	5,676.77	13.40%
Oct. 07	22.01	8.55	30	11,849.38	5,839.62	16.65%
Nov. 07	34.76	9.99	31	12,227.54	6,387.16	27.59%
Dec. 07	14.63	8.45	31	12,368.60	6,599.77	31.84%

Source: Ghana Stock Exchange Statistics

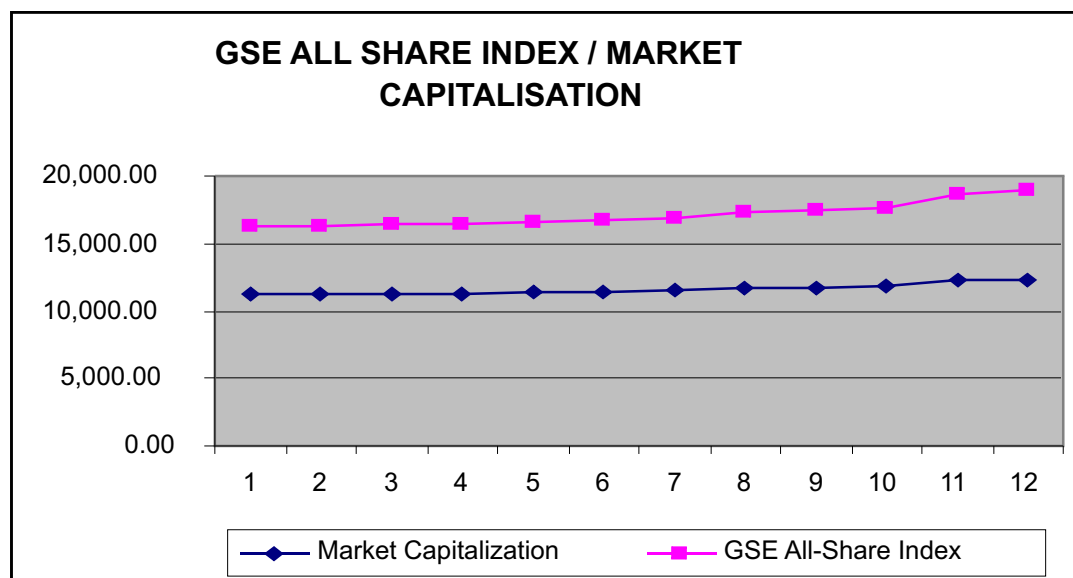
Market Capitalization

In line with general price appreciation, increase in secondary trading activities and new listings, market capitalization shot up from GH¢11,249.60 million in 2006 to GH¢12,368.60 million at the close of June 2007, representing an approximate increase of

9.95%. On the whole, 43% of the total equities listed on the stock exchange experienced price appreciation whilst 40% maintained their share prices.

A composite graph of the GSE All Share Index and Market Capitalization from January 2007 to December 2007 are depicted below: Both are positively correlated to each other.

Chart 3



Source: SEC Research & Market Development Department

Market Gainers And Losers

Of the thirty-two listed equities, thirty-seven percent made capital gains of between 10% and 108%. Two other companies recorded marginal gains, thirteen maintained their share prices while seven recorded marginal losses. The stocks that contributed most to the appreciable performance in the GSE All-Share Index were in the financial sector (banking and insurance). It is believed that this sector will continue to lead the pack in 2008. The manufacturing sector was the next best performance contributor despite the energy crisis and higher input costs that confronted the sector in this reporting year.

Due to adverse weather conditions experienced in the country, stocks on the GSE in the agricultural sector did not do well as capital

gains remained flat throughout the year. Similarly, in spite of appreciable increases in commodity prices on the world market, stocks in the mining sector remained flat and did not experience any price change throughout the year. The bulk of the mining stocks are in the hands of non-resident foreign investors who did not make them available for trading on the local exchange. Since the mining stocks control over 70% of GSE's total market capitalization, this poses a lot of liquidity problem for the Exchange.

The performance of other sectors such as pharmaceuticals, information technology, distribution, petroleum and publishing were mixed. On the whole the overall performance of Ghana's stock index was driven mainly by the

financial stocks as the banking sector particularly showed strong asset growth to finance the expansion in the economic base of the country. The performance of all the listed equities are presented in the table below:

Table 5: Performance of listed Equities in 2007

NO.	LISTED COMPANY	EQUITY CODE	ISSUED SHARES (Million)	MARKET CAP. (GH¢ Million)	% CHANGE IN SHARE PRICES	DIVIDEND YIELD %	P/E RATIO
1	Accra Brewery Company Ltd.	ABL	249.45	28.69	0	0.9	n.m.
2	Anglogold Ashanti Ltd	AGA	276.15	8,284.64	0	1.9	n.m.
3	Aluworks Ltd.	ALW	41.68	29.59	-2.08	5.6	n.m.
4	Ayrton Drug manufacturing Ltd.	AYRTN	215.00	21.03	0.2	1.0	14
5	Benso Oil Palm Plantation	BOPP	34.80	17.05	-10.91	2.1	n.m.
6	Cal Bank Ltd	CAL	157.10	69.44	100.45	1.7	11
7	CFAO Ghana Ltd.	CFAO	224.00	7.84	-12.28	0	15
8	Clydestone Ghana Ltd.	CLYD	34.00	2.72	0	3.8	38
9	Camelot Ghana Ltd.	CMLT	6.54	1.11	0	2.4	17
10	Cocoa Processing Co. Ltd.	CPC	1,100.83	58.34	-1.49	0.8	82
11	Ecobank Ghana Ltd.	EBG	161.23	322.46	-5.21	3.4	17
12	Enterprise Insurance Company Ltd.	EIC	25.57	33.24	36.37	1.2	7
13	Ecobank Transnational Ltd.	ETI	1,347.03	1,726.22	12.91	2.2	18
14	Fan Milk Ltd.	FML	19.78	47.29	31.94	1.9	12
15	Ghana Commercial Bank Ltd.	GCB	265.00	263.68	57.89	5.5	16
16	Guinness Ghana Breweries Ltd.	GGBL	164.67	202.55	31.41	2.8	14
17	Ghana Oil Company Ltd.	GOIL	210.19	65.16	n.a.	2.8	19
18	Golden Web Ltd.	GWEB	29.97	1.65	0	0	n.m.
19	HFC Bank Ghana Ltd.	HFC	100.16	54.07	-0.04	1.0	18
20	Mechanical Llyod Company Ltd.	MLC	50.10	10.52	0	1.9	8
21	Pioneer Kitchenware Ltd.	PKL	16.50	1.32	0	0	n.m.
22	Produce Buying Company Ltd.	PBC	480.00	115.20	-7.69	0	n.m.
23	PZ Cussons Ghana Ltd.	PZ	28.00	23.27	24.77	1.3	9
24	Standard Chartered Bank Gh. Ltd.	SCB	17.60	457.50	52.69	5.0	16
25	Starwin Products Ltd.	SPL	74.08	4.07	0	1.8	88
26	Super Paper Products Co. Ltd.	SPPC	19.44	0.64	46.67	0	7
27	SG-SSB Ltd.	SG-SSB	142.50	178.13	108.33	3.6	16
28	Sam Woode Ltd.	SWL	21.83	0.58	0	13.2	6
29	Trust Bank Ltd. (The Gambia)	TBL	60.00	79.50	0	2.6	n.m.
30	Total Petroleum Ghana Ltd.	TOTAL	13.98	76.79	1.62	5.0	9
31	Transaction Solutions Ltd.	TRANSOL	80.00	9.60	0	0	27
32	Unilever Ghana Ltd.	UNIL	62.50	131.27	40.02	5.0	8

Source: Ghana Stock Exchange

Market Turnover / Liquidity ratio

Market turnover ratio or liquidity, measured by value of shares traded, over market capitalization, declined from 0.42% in 2006 to 0.01% in 2007. This implies a persistent decline since the 'bull run' in 2003. The slow-down in market liquidity can be attributed to unavailability shares of multinational and other 'blue chip' companies for trading. The bulk of

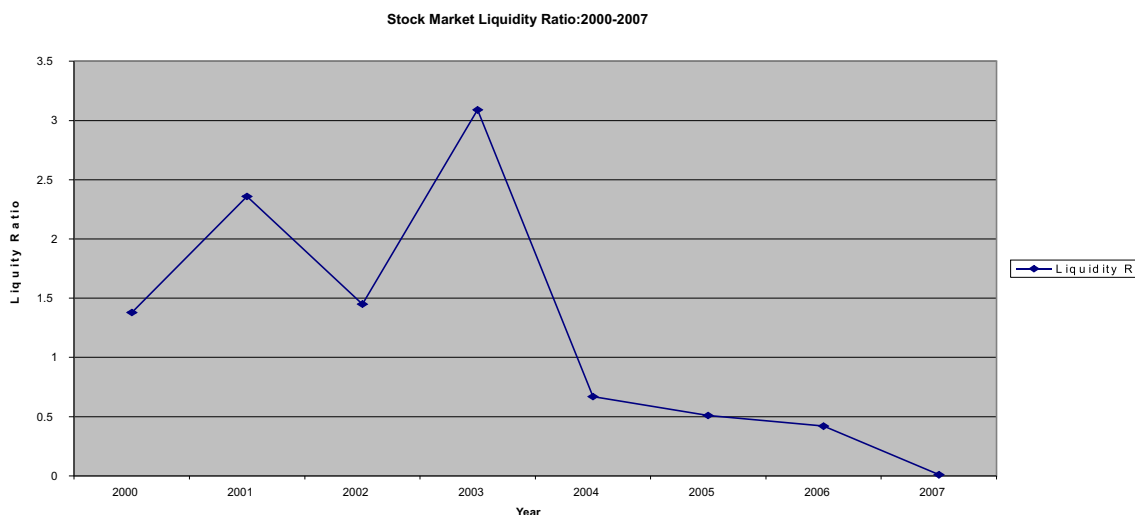
these shares are in the hands of non-resident foreign investors and local institutional investors.

Below is a table and graphic presentation of liquidity trend on the GSE from the year 2000 to 2007. It shows that the highest market liquidity on the GSE (3.09%) occurred during the peak of the "bull market" in 2003.

Table 6: Stock Market Indicators/Liquidity Ratio

Year	GSE-All Share Index (%)	Total Value of Shares Traded (GH¢M)	Total Market Capitalization (GH¢M)	Turnover/Liquidity Ratio Of The Ghana Stock Exchange (%)
2000	16.55	5.06	365.50	1.38
2001	11.42	9.23	390.40	2.36
2002	45.96	8.94	618.38	1.45
2003	154.67	38.33	1,261.68	3.09
2004	91.33	65.59	9,761.48	0.67
2005	-29.85	46.44	9,185.73	0.51
2006	4.97	47.60	11,249.60	0.42
2007	31.84	140.71	12,368.60	0.01

Source: SEC Research & Market Development Department

Chart 4


Source: SEC – Research & Market Development Department

Market Concentration

Compared to 2006, market concentration measured by market capitalization of the top five highly capitalized listed companies on the Ghana Stock Exchange decreased by 2.3 percentage points from 91.7% to 89.4% in 2007. AngloGold Ashanti whose contribution to total market capitalization in 2006 was 73.5% declined by 7.5 percentage points to 67.0% in 2007. Trade statistics indicates that fewer trades in AngloGold Ashanti shares is a major contributor to the low levels of stock market liquidity on the Ghana Stock Exchange. Shares of AngloGold Ashanti did not experience any price change in 2007, indicating that throughout the year, trading activity in this particular stock was not buoyant, since most of the stocks were in the hands of non-resident foreign investors. On the whole, total market concentration on the Ghana Stock Exchange is

deemed to be high. For this reason, it has become necessary to consider a policy direction to induce market liquidity by encouraging most of the local and existing multinational companies with less than 25% shares available on the market as required by the listing rules, to increase their float and make their shares available to local residents for trading on the exchange. Local companies can also be encouraged to list on the Ghana Stock Exchange as a measure of encouraging local residents to own and trade in those shares.

Alternatively, Ghana Government can also be encouraged not only to accelerate its privatization programme, but also make it a policy option to float more shares on the Exchange and make it available to many Ghanaians as possible as a means of promoting economic democracy in the country.

Table 7: Market Concentration by Market Capitalization

Listed Company	Equity Code	Issued Shares (Million)	Market Capitalization (GH¢Million)	% Share of Total Market Capitalization (2007)	% Share of Total Market Capitalization (2006)
AngloGold Ashanti	AGA	276.15	8,284.64	67.0	73.5
Ecobank Transnational	ETI	1,347.03	1,726.22	14.0	12.3
Standard Chartered Bank	SCB	17.60	457.50	3.7	2.5
Ecobank Ghana	EBG	161.23	322.46	2.6	2.0
*Ghana Commercial Bank	GCB	265.00	263.68	2.1	
Total Market Capitalization of Top Five Listed Companies			11,054.50	89.4%	91.7%
Overall Total Market Capitalization of the GSE				12,368.60	11,249.60

Source: SEC- Research & Market Development Department.

* Ghana Commercial Bank replaced Guinness Ghana Breweries as the fifth largest company by market capitalization on the Ghana Stock Exchange in 2007.

The Primary Market

Activity on the primary market remained quiet until the last quarter of the year, when the Ghana Government off loaded to the public its shares in two of the State Owned Enterprises

(SOEs) in the oil and insurance sectors of the economy Ghana Oil Company and SIC Insurance Company. The Ghana Government again offered more of its shares (100.00 million shares) in Ghana Commercial Bank by rights issue to existing shareholders and the general public.

Thus, the Government of Ghana played an important role through its privatization policy to

deepen the Ghanaian capital market in 2007. In-fact, the bulk of primary market activity came from these SOE's at the instance of the Government. In total the Ghana Government offered to the public 320.17 million shares to

raise an amount of GH¢115.78 million to finance aspects of its budget deficit in 2007. In summary in 2007, amount raised on the primary market increased by 223.4% over what was raised in 2006 (GH¢98.99 million).

Table 8: Primary issue of securities on the equities market in 2007

Activity	Company	Beneficiary of Proceeds	Amount raised (GH¢million)	Number of shares issued (million)
IPO	Ghana Oil Company Limited	Government of Ghana / GOIL	20.56	102.78
Rights Issue	Ghana Commercial Bank	Government of Ghana/GCB	60.00	100.00
IPO	SIC Insurance Company Limited	Government of Ghana / SIC	35.22	117.39
TOTAL			115.78	320.17

Source: SEC Research & Market Development/ Corporate Finance Departments

Primary Market Performance Between 2000 2007

The Ghana Stock Exchange has played a dominant role in the mobilization of new equity capital for the private sector of the economy between 2000 and 2007. The sector that has benefited most has been the financial sector. Out of a total of GH¢1,576.9363 new equity capital raised on the primary market between

this period, 94.2% of this amount went to the financial sector of the economy (GH¢1,491.5680). The manufacturing sector received 2.4% (GH¢37.6016); agriculture had 1.6% (GH¢25.8876); distribution, 1.5% (GH¢24.0728); information technology, 0.2% (GH¢3.0983); and printing/publishing, 0.1% (GH¢1.0080).

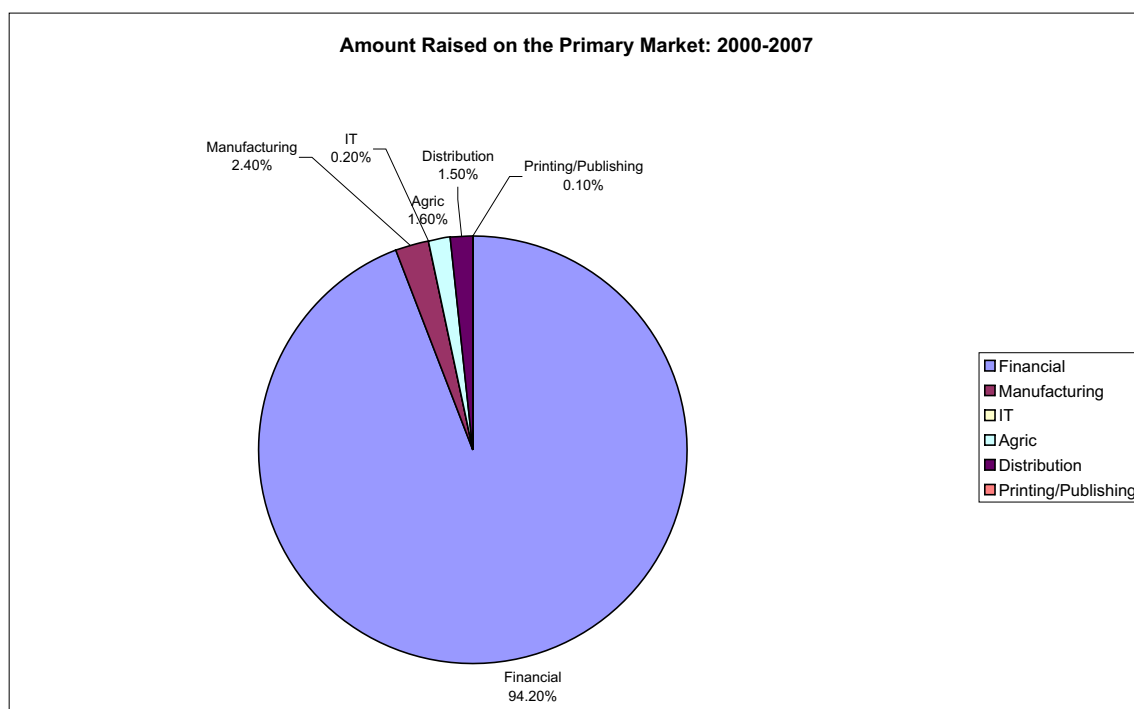
Table 9: Primary Market Performance By Sector

SECTOR	AMOUNT RAISED (GH¢ MILLION)	% OF TOTAL AMOUNT RAISED
Financial Sector	1,485.2680	94.2
Manufacturing	37.6016	2.4
Information Technology	3.0983	0.2
Agriculture	25.8876	1.6
Distribution	24.0728	1.5
Printing & Publishing	1.0080	0.1
TOTAL	1,576.9360	100.0

Source: SEC - Research & Market Development Department.

The above is obvious that apart from the financial sector which is making good use of the capital market to raise equity capital to boost their operations, the rest of the economy still rely on debt financing thus exposing themselves to high gearing.

Chart 5



This situation therefore calls for intensification of public education particularly targeted at the Association of Ghana Industries (AGI), Ghana Chambers of Commerce & Industry (GCCI), entrepreneurs and other industry groups to make the capital market their preferred choice for raising new capital.

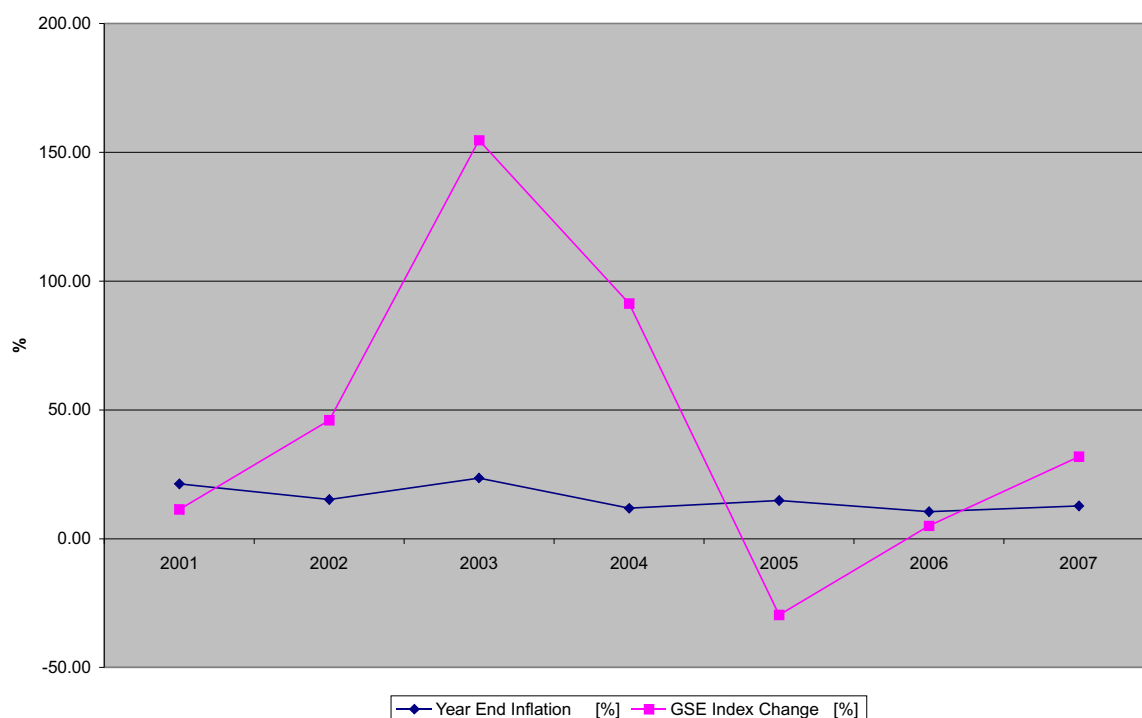
Performance of the Equities Market (2000-2007)

The GSE All Share Index has over the years shown negative correlation with interest rates and inflation. Soaring inflation leads to decline in the All-Share Index. During the high inflation

period between 1999 and 2000 the index recorded changes of -15.22% and 16.55% but recovered from 2001 to hit a peak during the bull runs in 2003/4. The stock market slumped again to -29.58 when the market became bearish as investors went into a 'profit taking spree' in reaction to the market being overheated in 2005. The index has again resumed its ascent into what is likely to be another 'bullish phase'. On the whole, the market has risen far above the rate of inflation for most part of the period in a regime of reduced prime rates and declining yields on short-term securities.

Chart 6

A Graph of Stock Market Performance Against Inflation: 2001-2007



The Bond Market

By the end of 2007, the outstanding total value of Government of Ghana (GOG) Bonds listed on the GSE amounted to GH¢1,333.07 Million, whilst the only listed corporate bond by HFC Bank stood US\$6.40million. During the year, the Standard Chartered Bank of Ghana's 3-year Medium Term Notes worth GH¢35.00 Million remained listed on the GSE.

During the year under review, the GSE witnessed the listing of 75 Government of Ghana 2-year fixed rate bonds, 51 Government of Ghana 3-year fixed rate bonds and 2 Government of Ghana 5-year fixed rate bonds.

The listings of these bonds signify a boost towards the development of the debt market in Ghana. It also shows the commitment of the government towards the establishment of longer maturity yields for the issue of long-dated instruments by the corporate sector.

Secondary trading of the bonds listed on the GSE generally remained dormant throughout the year. This was largely due to the usual 'buy and hold' attitude of investors, particularly institutions who hold on till maturity. During the year, only US\$20,000 worth of corporate bonds and GH¢3,795 million of government bonds were traded on the GSE. None of Standard Chartered Bank's medium term notes changed hands.

Secondary market trading of these bonds on the GSE generally remained dormant throughout

the period under review. This is mainly due to the "buy and hold" behaviour of investors on the market. These investors are mainly institutions who hold on till maturity.

In order to inject some level of liquidity into secondary market transactions of bonds on the GSE, there will be the need to do away with discount houses, introduce market making in bond trading on the GSE through licensed Primary Dealers (PD's) and finally the introduction of Repos and Reverse Repos (repurchase agreement markets) trading of bonds on the GSE.

Repo transactions on the market will encourage bond market investors to relinquish and regain their positions in their investments and at the same time enjoy investment returns at maturity of the bonds. Repo market contributes over 60% to bond market liquidity in a active bond market locations in the world.

Now that the Ghana Government has shown keen interest in listing its fixed and floating rate notes and other bonds on the Ghana Stock Exchange, it is recommended that the Commission together with the Bank of Ghana, the Ghana Sock Exchange, institutional investors, market operators and other stakeholders should deliberate on how best to inject liquidity into the secondary bond market. This may include streamlining rules of engagement in the market including drafting of standardized repo agreements with bonds serving as underlying assets for trading on the Exchange.

The Commission is confronted with the challenge of educating the corporate sector about the usefulness of issuing bonds to raise capital and marketing them to the general public as alternative sources of investment. This is now going to occupy the attention of the Commission for years to come.

The Collective Investment Scheme (CIS) Industry

Under the Securities Industry (Amendment) Act, 2000, Act 590 and the Mutual Funds and Unit Trusts Regulations, 2001, L.I 1695,

collective investment schemes take the form of either a Mutual Fund or a Unit Trust. This means that the Law has combined both the British and American systems of collective investment scheme. The objectives remain the same. However, the only difference between the two is in the form of ownership or corporate structure. Mutual funds in Ghana are organized by corporate entities registered under the Companies Code. In case of winding up of operation, it then must be under the provisions of the Companies Code.

Table 10: Funds under Management of Collective Investment Schemes - 2007

SCHEME	PROMOTER	NO. OF UNIT/SHARE HOLDERS	NET ASSET VALUE (GH¢)	FUNDS MOBILIZED IN 2007 (GH¢)	Market Share (%)
Fortune Fund	Strategic African Securities	1,051	535,119.44	497,568.40	0.434
Anidaso	New Generation Investments Ltd.	727	304,103.09	118,939.39	0.246
MFund	Databank	14,884	14,900,000.00	13,600,000.00	12.071
Campus Mutual Fund	SDC Investments	1,054	165,098.45	112,577.98	0.134
Epac	Databank	60,533	86,051,435.75	32,871,406.15	69.712
Balanced Fund	Databank	2,885	1,459,378.68	1,459,378.68	1.182
Horizon Fund	NTHC Ltd.	1,527	725,727.55	9,192.07	0.588
HFC Unit Trust	HFC Bank	13,509	14,865,781.27	10,458,915.10	12.043
HFC REIT	HFC Bank	188	1,404,940.00	481.50	1.139
HFC Equity Fund	HFC Bank	1,067	950,872.09	342,134.60	0.770
Gold Fund	Gold Coast Securities	1,742	2,075,291.00	359,527.93	1.681
TOTAL		99,167	123,437,747.32	59,830,121.80	100.000

Source: SEC - Research & Market Development Department

By the end of 2007, twelve (11) collective investment schemes had been licensed to operate by the Commission as compared to ten (10) in 2006. They comprised seven (7) mutual funds and four (4) unit trust schemes. The two new entrants to the collective investment scheme sector were Databank Balanced Fund Limited, managed by Databank Asset Management Services Limited and Women's Mutual Fund Limited, managed by SAS Investment Management Limited.

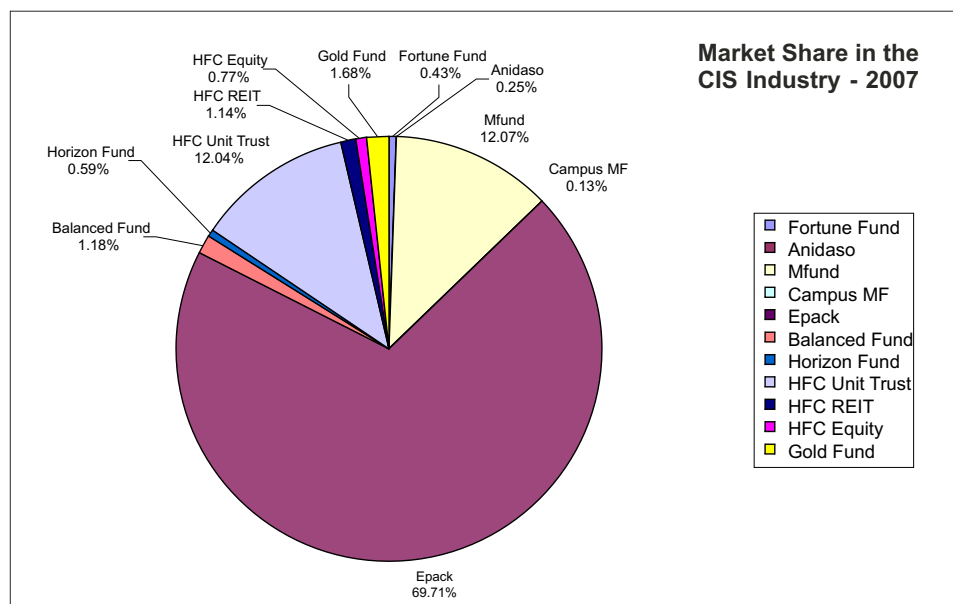
The industry showed significant growth in asset base as it is gradually gaining popularity among various sections of the Ghanaian society, particularly those living in urban areas such as Accra. With appreciable returns on various financial assets such as equities and money market instruments, total net asset value of the entire industry grew by 82.41% over that of 2006 (GH¢67,670,000.00). Total amount of new funds mobilized by the licensed collective investment schemes also increased from GH¢27,523,000.00 in 2006 to GH¢59,830,121.80 in 2007, an increase of 117.4%. The total number of new investors

who joined the scheme went up by 37.8% from 71,960 to 99,167 (this includes both individual and institutional investors).

Market Share

Databank's Epack Investment Fund continued to dominate the collective investment scheme market in all spheres. It holds almost 70.0% of total net assets of the entire industry and 61.0% of the industry's customer base (share/unit holders). It also mobilized 55.0% of total funds mobilized by the industry in 2007. The MFund, the only money Market mutual fund to be licensed by the SEC, which is also in the stable of Databank, moved from the third position in 2006 to become the second largest collective investment scheme in Ghana with 12.0% of the industry's total net assets under its management. It also controls 15.0% of the sector's customer base. The first collective investment scheme in Ghana, HFC Unit Trust, dropped from the second position to third largest scheme with 12.0% of total net assets under management. It has 13.6% of the industry's customer base. The graph below provides details on the rest of the industry players;

Chart 7



Performance of Funds in the Industry

Databank's Epac Investments Fund did not only continue to outperform the stock market by vast percentage points, but was also able to provide improved real return over the rate of inflation its investors. The fund made an annual return of 48.61% compared to 32.0% recorded in 2006. Anidaso Mutual Fund was the next best performer with 35.99% in annualized yield followed by HFC Equity Fund (34.19%). Gold Coast Securities Gold Fund also improved from 22.36% in annualized yield in 2006 to 28.45% in 2007. The Fortune Fund also performed better than the previous year with an annual year-to-date return of 23.03%.

The annual return on the only money market fund in the country, Mfund, however declined from 14.47% in 2006 to 11.99% in 2007. This

was due to the general decline in interest rates of money market instruments in the financial market recorded in 2007. As the table below indicates, the equity based mutual funds and unit trusts did far better than the previous year because of the upward movement in the equity index - GSE All-Share index.

Overall, the NTHC's Horizon Fund continued to be the worst performer on the market for two successive years running.. It made an annual return of only 1.00% slightly up from 0.50% recorded in 2006. This was far below the rate of inflation (12.75%) and stock market index performance gain (31.84%). The table below provides detailed description of the performance of the collective investment schemes in the country in 2007:

Table 11: Performance of Collective Investment Schemes in 2007

Scheme	Type of Scheme	Share of Total Net Assets (%)	Share of Customer Base (%)	Share of Total Amount Raised In 2007 (%)	Performance (Annual yield/ return) - 2007 (%)	Performance (Annual yield/ return) - 2006 (%)
EpacK	Equity Fund	69.8	61.0	56.0	48.61	32.00
MFund	Money Market Fund	12.1	15.0	22.7	11.99	14.47
HFC Unit Trust	Balanced Fund	12.0	13.6	17.5	12.75	8.70
Gold Fund	Equity Fund	1.7	1.8	0.6	28.45	22.36
Databank's Balanced Fund	Balanced Fund	1.2	3.0	2.4	N/A*	N/A*
HFC REIT	Real Estate Fund	1.1	0.2	0.0	17.50	2.39
HFC Equity Fund	Equity Fund	0.8	1.1	0.6	34.19	12.46
Horizon Fund	Equity Fund	0.6	1.5	0.0	1.00	0.50
Fortune Fund	Equity Fund	0.4	1.1	0.8	23.03	9.70
Anidaso Mutual Fund	Equity Fund	0.2	0.7	0.2	35.99	11.70
Campus Mutual Fund	Equity Fund	0.1	1.1	0.2	N/A*	N/A*

*N/A Not Available

Source: Compiled from data collected from firms in the CIS Industry.

Comparative cost of running the schemes

Measured by annual running cost over net asset value, the most cost- efficient fund in 2007 was Databank's MFund with an efficiency ratio of 0.66% and an annualized yield of 11.99%. Anidaso Mutual Fund followed with a ratio of 1.36% and an annualized return of 35.99%. The largest fund, EPACK, operated with a cost-efficiency ratio of 1.74% and an annual return of 48.61%.

The cost-efficiency of HFC Unit Trust was as high as 6.11% which was far above the industry average of about 2.00%. Campus Mutual Fund was also managed at a high cost efficiency ratio of 5.87%. On the whole, only four of the Collective Investment Schemes were run at a cost- efficiency ratio of below 2.0% in 2007. The following table shows how cost-efficiently the mutual funds and unit trust schemes were run in this reporting year.

Table 12: Cost-Efficiency of Collective Investment Schemes In Ghana (2007)

NAME OF SCHEME	NET ASSET VALUE (GH¢)	ANNUAL RUNNING COST (GH¢)	COST-EFFICIENCY OF FUNDS (Annual Running Cost) (%)	FUND PERFORMANCE (Annual yield/return) (%)
Epack	86,051,435.75	1,493,282.00	1.74	48.61
MFund	14,900,000.00	97,946.58	0.66	11.99
HFC Unit Trust	14,865,781.27	907,610.00	6.11	12.75
Gold Fund	2,075,291.00	75,929.00	3.66	28.45
Databank's Balanced Fund	1,459,378.68	N/A*	N/A*	N/A*
HFC REIT	1,404,940.00	69,309.00	4.93	17.50
HFC Equity Fund	950,872.09	45,678.00	4.80	34.19
Horizon Fund	725,725.55	24,491.26	3.37	1.00
Fortune Fund	535,119.44	10,135.52	1.89	23.03
Anidaso Mutual Fund	304,103.09	4,121.14	1.36	35.99
Campus Mutual Fund	165,098.45	9,695.06	5.87	N/A*
	123,437,747.32	2,738,197.60		

* Not Available

Source: SEC - Research & Market Development Department

The Investment Advisory Industry

Under the Securities Industry Law, Investment Advisers can either provide only advisory services or can undertake fund management services on behalf of their clients or provide both services at the same time. Compared to 2006, funds under the management of investment advisers grew by 27.48% in 2007. However competition in the industry became very keen as new entrants keenly competed

with existing companies for market share. Total funds under management in the industry grew from GH¢300,066,000.96 to GH¢390,982,911.10 between 2006 and 2007 respectively. In this reporting year, **Merban Investment Holdings** became the lead investment advisory company with 18.42% of total industry portfolio under its management, thus pushing **Databank Asset Management Services** to the fourth position in the market.

SIC Financial Services, the investment management wing of Ghana's largest insurance company, moved from the fourth position in 2006 to become the second largest fund management company in the industry with 17.00% share of the market. A new entrant, **EDC Investments Limited**, an investment wing of Ecobank Transnational Corporation, moved to the third position with 15.89% share of the market, while **Ecobank Investment Managers Limited**, a subsidiary of Ecobank Ghana, dropped from the third position in 2006 to the fifth position with 7.54% of the total funds in the industry under its management. In all, the top five licensed investment advisory companies in the country controlled about 75.0% of total industry funds under management.

The bulk of the funds were being managed on behalf of 1,300 institutional investors. They included provident funds, endowment funds of various local public and private institutions and

charities as well as pension funds. The total number of independent individual or retail investors with funds under the management of investment advisers was 9,141. However, a close look at the membership of provident funds and endowment funds established in various private and government corporations will provide a sizable number of individuals who are indirectly investing through the Commission's licensed investment advisers.

Quite a few foreign investors are also increasingly using the services of the Commission's licensed investment advisers to have access to the country's investment instruments on the market. This included government debt instruments and both listed and unlisted equity securities on the capital market. With regard to unlisted equities, the bulk of foreign participation was in venture capital activities, supporting unlisted firms in such industrial sectors as information technology, salt processing, education and agro-processing.

Table 13: Funds Under Management - Investment Advisory Industry

	Investment Adviser	Total Funds Under Management (GH¢)	Portfolio Allocation			Clients		Market Share (%)
			Capital Market (%)	Money Market (%)	Others	Institutions	Retail	
1	Merban Investment Holdings Ltd.	72,019,146.46	5.66	94.34	-	461	1,922	18.42
2	SIC Financial Services Ltd.	66,483,306.25	45.00	55.00	-	22	2	17.00
3	EDC Investments Ltd.	62,118,238.90	36.82	63.18	-	56	32	15.89
4	Databank Assets Management Ltd.	54,884,078.78				43	57	14.04
5	Ecobank Investment Managers Ltd.	29,474,614.37	83.37	16.63	-	26	2	7.54
6	Cal Asset Management Co. Ltd.	25,170,000.00	6.33	93.67	2.25	41	4	6.44
7	First Atlantic Asset Management Co. Ltd.	15,734,839.47	5.14	92.88	1.98	5	37	4.02
8	NTHC Ltd.	11,889,372.00	37.05	62.95	-	525	5,870	3.04
9	New World Investments Ltd.	10,654,317.01	-	100.00	-	29	194	2.73
10	*Fidelity Capital Partners	8,500,000.00	100.00	-	-	-	-	2.17
11	CDH Securities Ltd.	6,881,775.30	100.00	-	-	14	435	1.76
12	Strategic African Securities	4,807,312.92	75.91	23.59	0.50	12	408	1.23
13	JCS Investments Ltd.	10,000,000.00	20.84	37.06	42.10			2.56
14	HFC Asset Management	3,761,742.97	75.61	24.03	0.36	18	85	0.96
15	Fidelity Asset Management	3,222,900.15	-	99.11	0.89	26	3	0.82
16	Prudential Securities Ltd.	2,311,119.20	-	-		3	3	0.59
17	SEM Capital Management Ltd.	1,838,994.00	29.51	70.41	-	12	87	0.47
18	Liberty Investments Ltd.	1,130,098.31	-	99.98	0.02	3	-	0.29
19	CIDAN Investments & Advisory Services	101,055.00	91.31		8.69	4	-	0.03
20	* Aureos Capital	-	-	-	-	-	-	-
	TOTAL	390,982,911.10	33.75	64.71	1.54	1,300	9,141	100.00

Source: SEC Data collected from the Industry

*Operates Venture Capital Funds

Portfolio Allocation

It is instructive to note that, a higher percentage of total funds under the management of licensed investment advisers were invested in money market instruments (64.71%). The capital market attracted 33.75% of the industry's total portfolio allocation, whilst other alternative investments attracted only 1.54% of funds under management.

Due to better real rate of return and increased investor confidence in the capital market, demand for capital market instruments far outstripped supply, thus, compelling most investment advisers to allocate a substantial portion of funds under their management to money market assets. This makes Initial Public Offers (IPOs) a major area of attraction for the fund management industry.



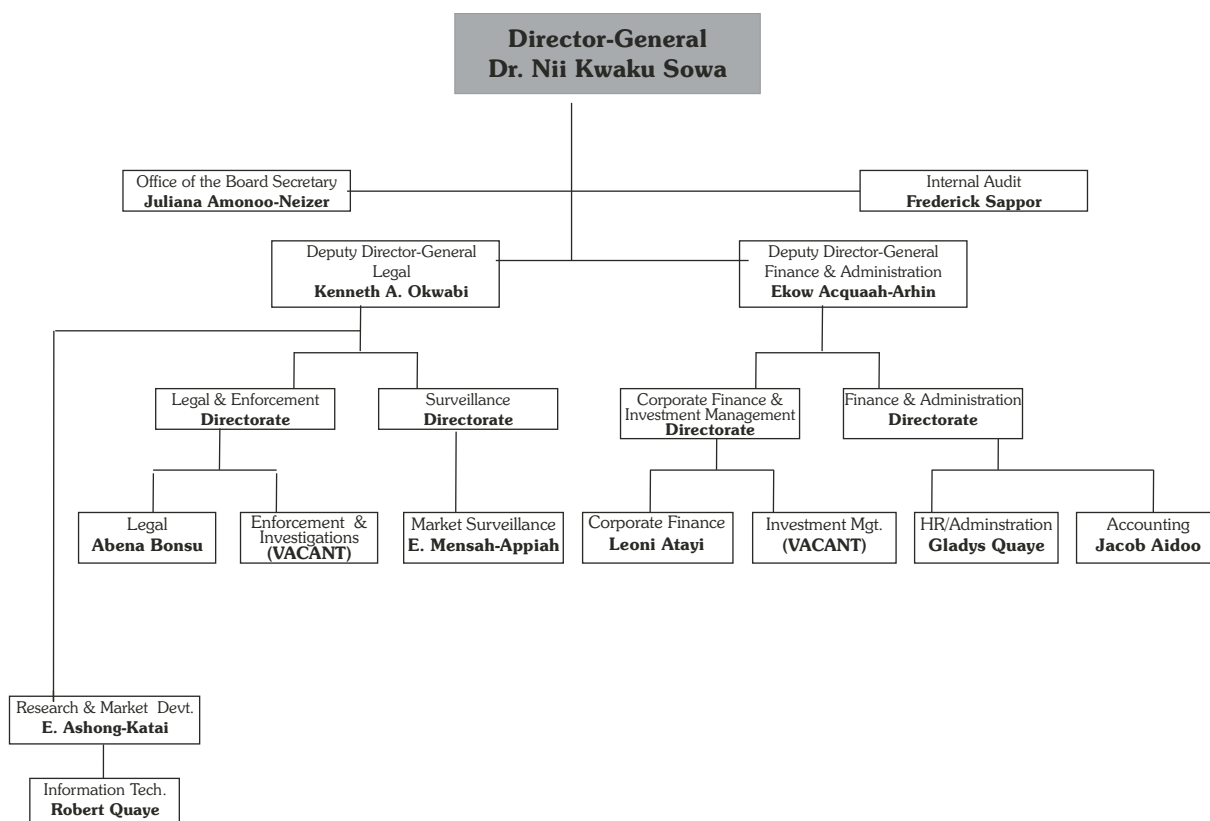
Operational Review

Operational Review

The Securities and Exchange Commission, Ghana, operates on a functional organizational structure headed by the Director- General and assisted by his two Deputies who together acts as Executive Directors/ Members of the Board to execute the decisions of the Commission. There are four directorates Legal & Enforcement, Surveillance, Corporate Finance

& Investment Management and Finance & Administration each supported by their respective departments. The Research & Market Development, Information Technology, Internal Audit Departments as well as office of the Board Secretary play a supporting and central role to facilitate the overall operations of the Commission.

ORGANISATIONAL STRUCTURE



LEGAL DEPARTMENT

Since the inception of the Commission, the Department has played a key role together with other departments in the formulation of appropriate legal and regulatory framework for the securities industry in Ghana. It has also functioned as an effective auxiliary to the rule making role of the Commission, which has helped to mould the securities industry into shape as new challenges emerge to confront the market. The department is supervised by the Deputy Director-General-1.

- ♦ handling the primary formulation and drafting of all legislation and amendments to any legislation mooted by the Commission
- ♦ the formulation and drafting of all regulations issued in terms of the Securities Industry Law
- ♦ liaising with the line ministry, the Department of the Attorney General and Legal Draftsman and the offices of Parliament in getting such legislation enacted
- ♦ handling all litigation for and on behalf of the Commission and representing the Commission in any litigation filed against it
- ♦ representing the Commission in Court or at any tribunal as and when required
- ♦ liaising with the Attorney General's Department with regard to the prosecution of breaches of the securities laws
- ♦ vetting all standard form documentation

issued by the Commission all legal issues connected with the administration of the Secretariat of the Commission

- ♦ assisting the Commission in the discharge of the quasi-judicial functions vested in it, which will include the preparation and presentation of administrative cases
- ♦ advising and guiding investigations carried out by the Commission into breaches of the securities laws

Despite the limited human resource constraints, staff of the department managed to initiate and accomplish various important projects and assignments. This included legislative issues, legal review of prospectuses and documents pertaining to issuing of securities to the public, legal review of inspection reports, issuing of circulars and notices to the market, dispute resolution, enforcement and court actions. Details of departmental activities during the reporting year involved the following:

Legislative/ Legal Reviews

With the dynamic nature of the securities industry and new local and global developments, aspects of the Securities Industry Law (SIL) of Ghana were sharply exposed as not adequate enough to deal with the changing demands. Consequently, the legal department was tasked to review the Law and other regulations to ascertain the gaps, overlaps and all other provisions that hinder the effective and efficient development of the securities market.

The department subsequently in collaboration with the other departments have identified a few lapses which would be part of the overall review of the Securities Industry Law.

The department collaborated with the Central Securities Depository (CSD) and Ghana Stock Exchange in the review and passage of CSD Law. The CSD is considered the most important component in the dematerialization of securities.

In the reporting year, work on the review of the Compliance Manual for Broker-Dealers & Investment Advisers was completed by the department in conjunction with other departments of the SEC. The manual provides market operators with detailed step-by-step compliance procedures needed to improve backroom and front desk operations of broker-dealers and investment advisers in the industry as well as ensuring that conflict of interests in their dealings with investors are reduced to the minimum if not completely eliminated.

The department also played a part in reviewing and finalizing work on the Draft Takeovers & Mergers Code for the Securities Industry. The Code which is more extensive would be printed and issued to the market soon, as a standard national legal document that will regulate all major corporate actions such as mergers and takeovers in the country. It will replace the takeovers and mergers provisions in the Rule Book of the Ghana Stock Exchange.

A member of Staff of the Department was co-opted from the SEC to be part of a team assisting the Ministries of Local Government & Finance and Economic Planning (MOFEP) in drawing up draft bills on Local Government Finance and a Municipal Finance Authority.

Circulars & Notices

As part of the rule making functions of the Commission, the Department assisted the SEC in the preparation of the following Circulars & Notices to guide and regulate the Market:

1. 'Redenomination of the Cedi'
2. Appointment by Issuers of Independent Advisers In Respect Of Initial Public Offers (IPO) and Other Invitations to the Public'
3. 'Appointment by Issuers of Registrars In Respect Of Initial Public Offers (IPO) and Other Invitations to the Public'

Review of Inspection Reports

The department also undertook legal review of inspection reports submitted to it by the Market Surveillance Department. This is part of the routine activity of the department to ascertain actions and practices of market operators that are liable before the Law, Rules and Regulations. The review is done to ascertain the type of enforcement action needed to be brought to bear on a market operator who is found to have committed serious violations against the Law. It is instructive to state that no serious violation was found against any market operator in the reporting year. The inspection

reports on the following market operators were submitted for legal review:

- ♦ Prudential Securities Limited
- ♦ Chrisline Investment Services Limited
- ♦ Gold Coast Securities Limited
- ♦ SEM Capital Limited
- ♦ First Atlantic Assets Management Limited
- ♦ First Atlantic Brokers Limited
- ♦ Anidaso Mutual Fund
- ♦ New Generation Investment Company Limited
- ♦ NTHC Ltd (Registrars)
- ♦ JCS Investment Services Limited
- ♦ Auroes Ghana Advisers Limited
- ♦ CDH Securities Limited
- ♦ EDC Securities Limited
- ♦ Ecobank Investment Managers Limited

Dispute Resolution

During the year, there was tremendous amount of co-operation between the securities regulators of Ghana, Nigeria and the UMOA Countries in resolving a dispute involving shareholder rights and allegations of breach of stock exchange rules and Company Regulations. The Director-Generals of the above Commissions pledged to continue working together to ensure the development and deepening of the Capital Market in West Africa.

Enforcement & Court Actions

It is the duty of the Department to ensure due compliance with the Securities Industry Law. The Department has been performing this duty in collaboration with the Market Surveillance Department and Corporate Finance & Investment Management Departments. Sanctions ranging from reprimands to imposition of penalties on some licensed market operators were imposed.

The following court action involving SEC has been adjourned sine die:

Yeboa Amoa v. Securities And Exchange Commission & Joseph Aboagye Debrah - Suit No MISC 42/2003.

The plaintiff, Yeboa Amoa on 17th October 2003 filed a suit against the above-mentioned defendants for a declaration that the decisions of SEC's Administrative Hearings Committee were unlawful, ultra vires and should be rendered null and void. SEC has entered appearance. The suit was transferred to the Automated Court to be speedily dealt with. However no date has been fixed for hearing and is still pending.

MARKET SURVEILLANCE DEPARTMENT

The department continued to play a critical role in protecting the interest of investors by paying regular and un-announced visits to market intermediaries to ascertain their compliance with the Securities Law, Rules and Regulations. During the year, the department paid several visits to the Ghana Stock Exchange to review its trading systems to ensure that gaps leading to market manipulations and failed trades are plugged. The visit was also meant to ascertain the effectiveness of the Exchange's dispute resolution mechanism, particularly with reference to those arising among broker-dealers and traders on the floor of the Exchange. The key operational functions of the department include;

- ♦ Off-site monitoring of market operators which involves reviewing and reporting on returns submitted by all market operators such as Broker-Dealers, Investment Advisers and the Ghana Stock Exchange. The Department also Reports on the financial and systematic stability of the market operators and ascertain their solvency situation in relation with prudential requirements.
- ♦ On site monitoring of market operators. This involves undertaking and reporting on inspection visits of all market operators with the view to monitoring compliance with the Securities Industry

Law including best practice in the international securities industry; Reporting any persistent non-compliance or serious infractions to the Legal and Enforcement Department for further action; and recommending regulatory enhancements.

The following were other activities embarked upon by the Department in 2007:

Review Of Returns

The department received and reviewed monthly, quarterly and annual returns of market operators and duly reported on the findings. Reports on the level of compliance of the Commission's regulations by market operators were also submitted to the Commission.

On- Site Fresh Inspection Visits

During the year under review, two teams from the department initiated and completed inspection of the following companies:

- ♦ Prudential Securities Limited
- ♦ Chrisline Investment Services Limited
- ♦ Gold Coast Securities Limited
- ♦ SEM Capital Limited
- ♦ First Atlantic Assets Management Limited
- ♦ First Atlantic Brokers Limited
- ♦ Anidaso Mutual Fund
- ♦ New Generation Investment Company Limited
- ♦ NTHC Ltd (Registrars)

- ♦ JCS Investment Services Limited
- ♦ Auroes Ghana Advisers Limited
- ♦ CDH Securities Limited
- ♦ EDC Securities Limited
- ♦ Ecobank Investment Managers Limited
- ♦ NTHC Registrars.

The above field inspections were followed up with field reports and subsequently, management letters with appropriate observations and recommendations. All the reports of the department were sent to the Legal Department for review and advice.

On Site Follow -Up Visits

In 2006 and early part of the reporting year, the department conducted on-site inspection visits on selected market operating firms, after which recommendations were made for certain operational lapses identified to be corrected. As part of the department's re-view of this, follow up inspections were scheduled in 2007 to ensure that the licensees had complied with agreed recommendations. This involved the following companies:

- ♦ SDC Brokers Limited
- ♦ Cal Brokers Limited
- ♦ NTHC Securities Limited
- ♦ Strategic Africa Securities Limited
- ♦ SAS Investment Management Limited
- ♦ Prudential Securities Limited
- ♦ SEM Capital Limited

Visit To The Central Securities Depository (CSD)

The department organized a verification visit for the Commission to the Central Securities Depository to examine the clearing, settlement and depository systems of the CSD; The legal framework under which the CSD would function; its entire Information Technology infrastructure; and the preventive and the cohesiveness of the corrective and risk management systems put in place to detect and prevent fraud from taking place on the CSD. Systems for administrative and internal controls were also examined to ensure that internal lapses and conflict of interests are removed to give the CSD a more credible link in the capital market structure and infrastructure requirements. The Commission wanted to satisfy itself that all operational lapses were removed before it gives the CSD a formal license to commence business.

Observations From Visits To Market Operators;

The Department made the following general observations during its routine visits to some of the selected market operators. Most of the lapses have been corrected, whilst a few others are still being dealt with;

- ♦ A few number of unlicensed firms and organizations were found to be performing activities for which securities licenses were required.
- ♦ In a few number licensed firms, it was found that some members of staff without

representative license were undertaking duties reserved for only licensed officers

- ◆ Perpetual debit balances kept on client's accounts.
- ◆ Some market operators either did not establish or utilize their client's Trust Accounts.
- ◆ Bank Reconciliation statements were not prepared
- ◆ Inaccurate recording of clients' assets
- ◆ Some organizations did not have important documents like operations manual, strategic plans and auditors' management reports.
- ◆ Improper management of account opening documentation.
- ◆ Some companies had problems with their brokerage software.
- ◆ Some companies were not strictly adhering to the staff trades authorization procedures.

Forum With Compliance Officers

In view of recurring compliance violations, the department organized an open forum with licensed Compliance Officers of Brokers Dealers and Investment Advisers, on May 16, 2007, in the conference room of the Commission to discuss how best to improve compliance in the market and meet the regulatory expectations of the Commission. The meeting also discussed among other things, the role of Compliance Officers in licensed securities organizations, the contents of the Compliance Officer's report, common

infractions by market operators and timely submission of returns to the Commission. The meeting was highly interactive and participatory and provided the Commission with a lot of insight into the peculiar problems confronting Compliance Officers in the discharge of the duties in their respective organizations.

Automated Trading System

A meeting was also held between the department and a representative of Bose Consulting Ltd, a company contracted to review the bid document for the procurement of the Automated Trading System (ATS) of the Ghana Stock Exchange. Issues discussed included:

- ◆ Conformity of Automated Trading System to the trading rules in Ghana.
- ◆ Accessibility to an alert surveillance system
- ◆ Audit trail system for investigation into market manipulation and insider trading purposes
- ◆ Flagging of particular accounts for evaluation purposes
- ◆ Wide area network to enable other dealers who operate in other regions accessible to trading system
- ◆ Capacity to accommodate trading in Over-the-Counter Securities

Enforcement Actions

The department participated in a number of enforcement actions against a few market

operators involving infractions of the Law. Licensees who defaulted were meted out with appropriate penalties and sanctions as specified in the Law.

RESEARCH & MARKET DEVELOPMENT

The Research and Market Development Department plays a major role in the Commission with respect to capital market development, regulatory and policy advisory mandates expected of the SEC by the Securities Industry Law. The major functions of the department among others, therefore includes the following:

- ♦ Giving advise on economic and other environmental issues germane to the Commission's regulatory and market development programmes
- ♦ Analyzing the potential impacts and benefits of proposed regulations and rules on market operators and the capital market
- ♦ Engaging in long-term research and policy planning in addition to providing research support in regulatory and enforcement policy areas.
- ♦ Formulating and implementing comprehensive investor/public education and capital market development programmes.
- ♦ Taking care of the Commission's media, public and international relations

including publications of the Commission.

In fulfilment of the above functions, the department undertook various activities geared towards deepening the capital market, strengthening the oversight role of the SEC and enhancing public confidence and participation in the securities market. Key activities initiated by the department included the following:

Securities Industry Week

The SEC in November 2007 held the second Securities Industry Week Celebrations. The week was categorized by various activities with majority of Resource persons coming from the Industry.

The theme chosen for the week's celebration was “**A paradigm shift in wealth creation: The role of the Capital Market**”. The objective for choosing this theme was to promote investments on the capital market especially from the retail end of the market and to instill into market operators the need for maintaining integrity and professionalism.

A one day public lecture was held to commemorate the week. The topics discussed were:

- (a) Creating Wealth through Collective Investment Schemes - The topic was aimed at educating the general public on the importance of CIS in wealth creation. The presentation included information on the performance of

mutual funds in Ghana and overseas and how it had helped create wealth for people. The presentation also dwelled on how an investor can invest in a CIS and the role of the various parties to the schemes.

- (b) **The Stockbroker: A friend indeed or a Friend in need-** The topic was aimed at educating the public on the role of the stockbroker. The presentation highlighted the front room operations of the broker and what is expected of the investor when dealing with the broker. The presentation also highlighted how wealth was created through the stockbroker and Investment Advisor.
- (c) **Integrity and professionalism of capital market institutions and intermediaries -** The topic was aimed at educating the general public including market participants on why integrity and professionalism important for market Institutions and intermediaries. The presentation also highlighted issues of what could go wrong when integrity and professionalism are compromised.
- (d) **Wealth Creation: The role of the Regulator -** The topic was aimed at creating awareness among the general public of the role of the Regulator as the apex regulatory body in the Securities

Industry. The presentation highlighted the functions of the SEC and the institutional capacity required to effectively meet the three cardinal principles of regulations among other things.

Apart from the public lecture, the Research and Market Development Department embarked on a series media campaign, panel discussions and interaction with the general public audience on the need for investing in financial assets available on the capital market. Issues on minority investor rights were also discussed

Extensive use of feature articles were made to complement the efforts of the department in educating the public and stakeholders to have an in-depth appreciation and understanding of the role of the securities industry in corporate growth, employment creation, national economic development, growth and wealth creation. They were serialized in various business publications and national dailies in the country. Published just at the heels of the securities week, the articles succeeded to generate renewed interest and awareness in the activities of the capital market among the target groups.

Media & Public Relations

The Research and Market Development Department discharged one of its primary objectives of managing media, public and international relations on behalf of the

Commission. Through the department's instrumentation, the Commission received positive and widespread media coverage in both the electronic and print media on various issues pertaining to the development of the capital market. This included the work of the Commission in relation to licensing and regulation of the industry, development of the unlisted securities market, development of the collective investment scheme sector, sanctions brought against market operators and related issues affecting market development. The department ensured that necessary steps were taken to give the Commission a well deserved media exposure.

2006 Annual Report

The department prepared and published the Commission's annual report for 2006. This was distributed to various Ministries, Departments and Agencies, institutions, securities market operators, selected securities regulators abroad and other stakeholders.

Presentations

The department made presentations to several visiting groups and corporate entities. This involved the work and mandate of the Commission, developments in the market, the future of the capital market in Ghana etc. The groups included;

- ◆ Clients of Barclays Bank Custodial Services and that of Databank Asset Management Ltd.
- ◆ Officials of the World Bank

- ◆ Officials from the African Development Bank
- ◆ Natural Resources Institute of University of Greenwich, U.K discussed establishment of a commodities exchange in Ghana
- ◆ Officials from the International Finance Corporation (IFC)
- ◆ Post-graduate Business Students from the University of Cape Coast, and the University of Ghana, Legon.
- ◆ Bank of New York, Brussels branch
- ◆ Capital Markets Integration Of The Ghana & Nigeria Exchanges by the Counsel Advisory Group of WAMI
- ◆ Computer share Investor Services 2004 (Pty) Ltd
- ◆ Bose Consulting Group on an Automated Trading System,
- ◆ UBS Investment Bank, London, on the regulatory environment in Ghana

Forum For CEO'S, Chief Financial Officers And Company Secretaries Of Listed Companies

The department initiated and participated in a meeting with CEO's and Chief Financial Officers/Company Secretaries of all listed Companies. The forum was organized under the auspices of the Securities and Exchange Commission and the Ghana Stock Exchange. The CSD also participated in the program.

Areas of discussion included:

- ♦ Disclosure of corporate information to investors
- ♦ Review of the Securities Industry Law
- ♦ Corporate Governance in listed companies
- ♦ Reporting requirements of listed companies
- ♦ Listing requirements in the new Rule Book of the GSE
- ♦ Redenomination of the Cedi
- ♦ Introduction of an automated trading system
- ♦ Dematerialization and migration of listed securities onto the Central Securities Depository (CSD)

Integration Of The Securities Market In West- Africa

During the reporting year, the department was involved in the harmonization of rules and regulations towards effective integration of the Stock Exchanges in West Africa. The Ghana Stock Exchange, the Nigeria Stock Exchange and the BVRM located in La Cote D'Ivoire. Issues discussed at the meeting included the benefits of integration, formation of committees to handle regulatory and operational aspects of integration, budget for the project and issues of simultaneous listings across the markets. Various models of integration were also explored.

Some of the main issues that were recognized as requiring urgent review included harmoniza-

tion of:

- ♦ Takeover Rules
- ♦ Securities Laws
- ♦ Membership And Fit And Proper Person Rules
- ♦ Code Of Conduct
- ♦ Accounting Standards
- ♦ Trading, Settlement And Depository Rules
- ♦ Listing Rules
- ♦ Enforcement Of Rules
- ♦ Conflict Resolution
- ♦ Regulatory Co-operation

Unclaimed Financial Assets

The department participated in a workshop on unclaimed financial assets in Ghana. The workshop was organized by the Ministry of Finance and Economic Planning as a follow up to the study on unclaimed dividends undertaken by the department.

The Ghana Government had announced in its 2007 annual budget statement to parliament in November 2006, that it intended to bring before parliament for enactment, a general bill covering various unclaimed asset classes which would include unclaimed dividends. The department made several contributions aimed at enriching the general legal frame work and provided valuable templates regarding how other jurisdiction treats unclaimed assets.

Financial Sector Reforms

The department developed a long-term

strategic plan for the development of the country's capital market and presented it for funding under the Economic Management Capacity Building programme by the World Bank and the Government of Ghana. It also liaised with the Financial Sector Reform (FSR/ FINSSP) Secretariat of the Ministry of Finance and Economic Planning to implement the various components of the strategic plan as part of the overall financial sector reform in Ghana.

The key aim of the strategic plan is to make the capital market an integral part in the development of the country's economy and wealth creation for the Ghanaian society. It involves making the market readily and easily accessible to business plan and start-up companies as well as small to medium scale enterprises which are a dominant feature of the Ghanaian economy. The department believes that by making the capital market open to entrepreneurs to access capital, the country would be able to unleash the great potential needed for an accelerated economic growth. It also believed that since agriculture is the main stay of the Ghanaian economy, linking the capital market to that sector would also unleash the great potential of the sector which will not only transform the rural economy but would eradicate rural poverty and create a massive pool of employment for the Ghanaian population.

The other key objective of the plan is to position the Ghanaian capital market as the hub for

capital raising and investment in the sub-region. These tasks needed resources and capacity of the SEC to be enhanced to go hand in hand with a revised institutional strategic plan to cope with the expected outcome of the capital market strategic plan. The department therefore prepared terms of reference and sent the following requests for funding under the country's Financial Sector Reform Programme:

- ♦ Institutional assessment and development of a five-year strategic plan for SEC
- ♦ Feasibility Study towards the development of a Commodities Exchange in Ghana
- ♦ Feasibility Study of SEC and industry IT systems as part of a process towards the installation of an automated surveillance and alert systems at the SEC the system will closely monitor in real time trade on the GSE and trading activities of brokerage houses. It will alert SEC of market manipulation and other market related abuses.
- ♦ Rules & Regulations for an alternative investment/unlisted (OTC) securities Market this will lead to the development of an alternative securities market for SMEs and entrepreneurs to access capital for business development and growth
- ♦ MOU with the Financial Services Board (FSB) of South Africa - the agreement will enable Ghana to share information with its counterpart in South and facilitate the monitoring of activities of its licensed

mutual funds investing in South Africa. More of such MOUs are expected to be signed next to help improve the capacity of the SEC to regulate beyond its borders.

- ♦ Capacity Building/ Training of SEC Professional Staff
- ♦ Securities Week/ Public Education
- ♦ Acquisition of computers and office equipment for the SEC to automate and modernize its operations for a higher productivity
- ♦ Upgrading of SEC's Payroll Processing, Accounting and Financial Management Systems
- ♦ Acquisition of cross- country vehicles to enhance the Commission's on-site inspection capacity nationwide
- ♦ Attachment programmes, Study tours to enhance institutional knowledge and capacity building.

The capital market strategic plan is being implemented in phases. The department also worked on the modalities and terms of reference to send the following for funding and technical assistance, through the Financial Sector Reform Secretariat to the World Bank:

- ♦ Review and amendment to the Securities Industry Law the aim is to remove gaps, overlaps and obstacles to capital market development in Ghana and bring the Law up-to-date with international standards and best practices
- ♦ The development of a Securities and Investment Institute with a combined

resource centre and a library this will provide formal training, testing of knowledge and licensing and capacity building for capital market industry practitioners. This is part of a strategy in creating a large pool of industry experts and professionals as part of positioning Ghana as the financial hub for the sub-region.

INFORMATION TECHNOLOGY (IT) DEPARTMENT

The key functions of the department are listed below:

- ♦ Providing leadership on management information for the Commission.
- ♦ Developing the Commission's Information technology architecture for network Information System.
- ♦ Developing Information technology plan and vision of the Commission
- ♦ Information technology Assets Management
- ♦ Developing web based/client-server applications for business solutions involving multiple commercial off-the-shelf and custom built applications
- ♦ Providing Management Information System (MIS) technical guidance and training
- ♦ Data security
- ♦ Maintenance of the Commissions website.

In the year under review the IT department continued to provide support, leadership and vision in the field of Information technology for the Commission as well as the usage, utilization, implementation and co-operative interlinking of computing and telecommunication systems to carry out the Commission's business which includes the promotion and orderly growth and development of an efficient fair and transparent securities market within which investors and the integrity of the market are protected through the proactive implementation of the Securities industry laws. This involves the on-going supervision and regulation of the Securities market, the education of the market operators, policy makers as well as investors on their respective rights and obligations. Information technology aid access to timely, accurate and reliable information. The IT department is focused on supporting the strategic objectives of the Commission.

The key function of the IT department includes several major activities that took place in the year under consideration.

These include the following:

Local Area Network (LAN)

The Local area network has been very stable

with no down time experience. The windows 2003 server Active Directory (AD) allows for effective and efficient management server services.

Again domain controllers (a domain Controller is the server that responds to security authentication requests logging in, checking permission etc with the windows server domain) have been setup, reconfigured and relocated to our current office premises.

The IT department facilitated supply and installation of network data and communication devices at the new office premises. This involves network-cabling, design of network architecture as well as data and voice access points. We have on the average two (2) data access points in each room. A 42U cabinet holds four (4) 3Com unmanaged switches within the SEC LAN. Each network switch has twenty-four ports making available seventy-six data access points for the Commission.

Telephone

Telephone system supplied and installed at SEC new premises. This involves voice cabling and installation of a PABX (Private Automatic Branch Exchange) system. The PABX has the capacity of eight (8) main lines with fifty-six (56) extensions, which can be extended to sixty-four (64). These extra eight extensions are all digital. In order to utilize the full capacity of the PABX digital telephones were procured. On the average there are two (2) voices access

Active Directory (AD) is an implementation of LDAP. Active Directory also allows administrators to assign policies, deploy software, and apply critical updates to an organization. Active Directory stores information and settings in a central database. Active Directory networks can vary from a small installation with a few hundred objects, to a large installation with millions of objects.

points in each room.

Internet And Web Based Services

The IT department continued to support and makes available internet services for the Commission the areas of communication, information sharing and research to enhance the work of all staff members.

Discoverytel Ghana Ltd (formerly Third Rail Broadband Solution) are no longer the Internet Service Provider (ISP) for the Commission. They have been replaced with the BroadBand4U service from Ghana Telecom. The band width provided by the BroadBand4U Services was 1024kps shared as against 64kps shared from Discoverytel Ghana Ltd, with TCP/IP protocols and firewalls provided by the ISP together with **Domain Names Services (DNS)** for name resolutions. It is important to note there has been less disruptions in internet service after the changing the ISP for the commission.

The Commission continued to use its corporate domain name secghana.org and website www.secghana.org which resides on a server managed by Proweb Solutions Ghana Limited. The SEC Website was monitored and updated with current Information and development in the capital market as well as financial reports from licensed operators. Complaints and enquiries received through the website were forwarded to relevant departments for action.

Purchase of IT Equipment

The IT department within the year under review procured some IT equipment and accessories. Computers, UPS, surge protectors, as well as IT consumables such as toners, cartridges, keyboards, mouse, mouse pads, diskettes, hard disks, network adaptors, paper backs, binding combs, recordable CDs and DVDs.

Upgrading and Maintenance Of Software

The IT department continued to host, maintain, update and troubleshoot the corporate email server and proxy server to enable efficient distribution of corporate emails both internally and externally. These include the upgrade of proxy server to the latest version (Wingate proxy software), mail transport agent (Mdeamon mail server software), file transfer protocol application (wsftp) and other Microsoft office products used by the commission.

The commission is yet to upgrade its Payroll Processing, Accounting and Financial Management System. Currently there is no support for the Accounting and Financial Management System as the vendor (SAMBUS Ghana LTD) has stopped supporting the software. However, invitation for tenders have been advertised for the supply and installation of these applications.

Application Development

The IT department continued with the development of the client/server application software code name SECMIS i.e. Securities &

Exchange Commission Management Information System using Microsoft access, Visual Basic 6.0 and crystal reports. Major sections of the modules has been completed and tested to capture the details of listed companies financials, licensed holders information, monthly, quarterly and annual financial reports, trading results, trading allocation analysis and data analysis.

Troubleshooting And IT User Support

The IT department provided IT user support to all categories of staff in the use of computers, application software and other IT equipment through training programmes and support given to staff in their normal line of duty.

Repair and troubleshooting, computer hardware, application software and networks problems were handled by the IT department.

The SEC plans of investing massively in Information and Communication Technology (ICT) was actively pursued under the FINSSP project. The FINNSP refers to the Financial Sector Strategic Plan now under the Financial Sector Reform (FSR) of the Economic Management Capacity Building (EMCB) programme.

The objective of the project is to hire a consultant to plan and design the IT infrastructure for the commission. This would be done after a feasibility study and systems analysis of the existing IT structure of the

commission and that of the securities industry, looking at the strengths and weaknesses and recommending an infrastructural solution to address the deficiencies identified.

The expected study will take into consideration the Ghana Stock Exchange's (GSE's) IT systems, the infrastructure of the Central Securities Depository (CSD) system and that of securities market operators for interoperability. Interested companies short listed for the study are yet to submit technical and financial proposals for evaluation and subsequent commencement of study.

CORPORATE FINANCE AND INVESTMENT MANAGEMENT

Activities in the reporting year comprised mainly the review of public offer documents, licensing and renewal of operating licenses. We present below a summary of the various activities undertaken by the department during the year 2007 and highlights of activities for 2008.

Renewal of Licences

Licenses were renewed for all Collective Investment Schemes already in operation. Also renewed were licenses of all but three market operators which expired on 30th June 2007. As at the close of the year, Standard Chartered Investment Services Ltd was not able to submit complete documentation for renewal of its

issuing house license. **Lindsay Capital Ltd** failed to renew its investment advisor's license, implying that it cannot operate legally in the market. **Provident Insurance Company** which held a trustee license withdrew its services as trustees and so did not renew its license.

- ♦ 2 Rights Issues
- ♦ 3 Collective Investment Schemes (CIS) including one closed-end fund
- ♦ 1 Bond Issue
- ♦ 5 investment advisors' licenses and
- ♦ 4 Dealers' licenses (2 brokerage, 1 custodian and 1 registrar)

Review of Documents and Licensing

Applications received were made up of:

- ♦ 4 Initial Public Offers (IPO) for listing

The table below shows a summary of the applications reviewed and their status as at the close of the year

Issuer	Type of Issue	# of shares on Offer/Taken	Amount raised/Status
Ghana Commercial Bank	Rights Issue	100,000,000	GH¢60m. Completed & Over-subscribed
Ecobank Transnational Inc	IPO		USD300m Application Withdrawn
Ghana Oil Company Ltd	IPO	102,778,221	GH¢20.55m. Completed & over-subscribed.
Golden Star Resources	IPO	1,881,630	GH¢5,644,890 – 59.36% subscription rate
SIC Insurance Company Ltd	IPO	117,387,000	GH¢35,216,100. Completed & over-subscribed.
Pioneer Kitchenware Ltd	Rights Issue	24,738,300	GH¢1,236,915. Approved in Jan. '08, yet to be launched
Jubilee Bond	5-year Bond Issue		GH¢50m
Databank Balanced Fund	IPO – Open-end Mutual Fund		GH¢1,459,378.68. Completed & over-subscribed
Women's Mutual Fund	IPO – Open-end Mutual Fund		GH¢50m Approved Yet to be launched
Vikings Investment Ltd	IPO – Closed-end Mutual Fund		GH¢7.3. Approved in February '08.
Quad Investments Ltd	Investment Advisors License		Approved
Black Star Investments Ltd	Investment Advisors License		Approved

Issuer	Type of Issue	# of shares on Offer/Taken	Amount raised/Status
Provident Insurance Company Ltd	Dealer's License (Custodian)		Approved
Orialles Capital Ltd	Investment Advisor's License		Approved in Jan '08
Securities Ltd	Dealer's License		Approved in Jan. '08
EDC Investments Ltd	Investment Advisor's License		Approved in Jan. '08
EDC Registrar Ltd	Registrar License		Yet to be considered
Liberty Capital Ltd	Investment Advisor and Dealer's Licenses		To be reconsidered

General Meetings

There were thirty- two (32) listed companies in 2007. Only one company, GOIL was listed during the year, and another, BAT de-listed. The department attended the annual general meetings of 28 listed companies, representing 87.5% attendance at AGMs. Reports of meetings attended were submitted to management. Meetings not covered were those of Anglogold Ashanti Ltd, Benso Oil Palm Plantation Ltd, Ecobank Transnational Incorporated and Trust Bank, Gambia.

Super Paper Products Ltd apart from its AGM, held an extraordinary general meeting for shareholders to consider and approve a proposal for a rights issue. This was attended by the department.

Staffing/Logistics

The staffing position of the department which was two (2) at the beginning of the year was boosted by the addition of two (2) more assistant managers. This would help it cover more areas of activity in the coming year especially in the area of post-listing inspection. The department was also allocated with a vehicle and this made it possible to attend as many AGMS as possible.

ADMINISTRATION AND HUMAN RESOURCE DEPARTMENT

The department provides central support service to all departments of the Commission by developing, implementing and evaluating the Commission's programmes in relation to its

human resources, recruitment, training and development, performance management and measurement, compensation and motivation, counseling and general administration, among others. This is a summary of activities of the Administration and Human Resources Department for the period January to December 2007

Recruitment, staffing and placement

The Department continued to provide support to the Commission to recruit, motivate and retain staff for effective discharge of its regulatory and other statutory mandates. Despite the stiff competition in the employment market, the Commission managed to attract quality people to fill various vacant positions. With approval from the Ministry of Finance & Economic Planning, the Commission was given the permission to engage additional staff as follows:

Grade	Number
Senior Manager	1
Assistant Managers	3
Drivers	3
Total	7

However, during the year only four of the vacancies were taken as follows: One (1) Assistant Manager, one (1) Corporate Finance and Investment Management and two (2) Drivers had assumed duty and are at post.

The following 3 positions were still vacant by the end of the year because the successful

candidates failed to take up their appointments:

- ♦ Assistant Manager, Market Surveillance
- ♦ Assistant Manager, Legal
- ♦ Official Driver
- ♦ Senior Manager- Corporate Finance

Training and Development

In order to keep pace with the dynamics of the securities industry, the Commission has adopted a culture of a 'learning organization' which gives opportunity to professional staff to upgrade their knowledge and competencies in various areas of securities market regulation and development. This is also in line with the Commission's policy to build and maintain capacity in order to effectively discharge its statutory mandates.

In line with this policy, the Department prepared and submitted for approval a training plan for the reporting year. All senior officers and most junior officers attended training programmes and seminars both locally and overseas.

- ♦ Pension Reforms
- ♦ the Integration of West African Stock Exchanges
- ♦ the Review of the Loans Act (Ministry of Finance)
- ♦ Anti-Money Laundering Law
- ♦ Ghana's Trade Policy Review
- ♦ The Impact of Commodity Exchanges on Trade and Development, Geneva, Switzerland
- ♦ The 4th Taipei Corporate Governance

- ♦ Forum, Taiwan
- ♦ Courses on Securities Regulation, U.S.A
- ♦ IOSCO training on SIDC Programme for Emerging Markets.
- ♦ Securities Markets Regulation Leadership Program in Toronto
- ♦ Capital Markets Development and oversight seminar in Uganda
- ♦ Emerging Markets Program in Malaysia
- ♦ WAIFEM Program in Nigeria
- ♦ FSA International Program in London, UK
- ♦ International Program on Securities Markets Operations Bombay Stock Exchange, Mumbai, India
- ♦ Corporate Governance Seminar in Taiwan.
- ♦ IOSCO Africa & Middle East Conference in Egypt

Performance Appraisals

The department appraised the performance of all the professional and other staff of the Commission and was able to identify several aspects of staff's training, management development and motivational needs. This

formed the basis for gap analysis and informed the Commission on forward looking strategies to improve its human resource policy framework. On the whole, general performance of staff was very satisfactory and areas that needed more attention in the coming year were identified for rectification.

Management of Assets

The department continued to work closely with Accounts and Internal Audit Departments to administer and manage the assets of the Commission as cost-effectively as possible. It kept maintenance cost down and controlled costs pertaining to areas that showed incidence of high recurring expenditure, such as fuel, maintenance of vehicles and stationery. It continued to supervise the effective and efficient maintenance of the Commission's assets register and advised for the boarding or retirement of ageing equipment and properties of the Commission that were having increasingly high recurrent expenditure, thus putting undue strain on the Commission's budget.



Financial Statements

SECURITIES AND EXCHANGE COMMISSION

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2007**

OSEI KWABENA & ASSOCIATES
(CHARTERED ACCOUNTANTS)
71 Palace Street, 603/18
North Kaneshie
P. O. Box 10276
Accra - North

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SECURITIES AND EXCHANGE COMMISSION

STATEMENT OF COMMISSIONERS RESPONSIBILITY

The Commissioners are required to prepare financial statements for the financial year which give a true and fair view of the state of the Commission and of the results for that period. In preparing those financial statements, the Commissioners are required to:-

- a. Select suitable accounting policies and then apply them consistently.
- b. Make judgements and estimates that are reasonable and prudent
- c. State whether applicable accounting standards have been followed.

- d. Prepare the financial statements on a going concern basis.

The Commissioners are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Commission and to enable them to ensure that the financial statements comply with the Securities Industry Law 1993 (P.N.D.C. L333) as amended by Act 590,2000. They are also responsible for safeguarding the assets of the Commission and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SECURITIES AND EXCHANGE COMMISSION

REPORT OF THE AUDITORS

We have audited the financial statements on pages 81 to 89 which have been prepared under the historical cost convention and the accounting policies set out on page 84.

Respective Responsibilities of Commissioners and Auditors

These financial statements are the responsibility of the Commissioners. Our responsibility is to express an independent opinion, based on our audit, on these financial statements.

Basis of Opinion

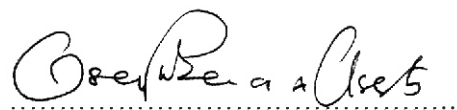
We conducted our audit in accordance with generally accepted auditing standards. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Commissioners in the preparation of the financial statements, and of whether the accounting policies are appropriate to the commission's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to

obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, proper books have been kept and the financial statements, which are in agreement therewith, comply with the Securities Industry Law 1993 (PN. D.C L 333) as amended by Act 590, 2000 and give a true and fair view of the state of the Commission's affairs as at 31st December, 2007 and of the income and cashflow for the year.



OSEI KWABENA & ASSOCIATES
(CHARTERED ACCOUNTANTS)

April, 2008

SECURITIES AND EXCHANGE COMMISSION


INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER, 2007

	Note	2007 GH¢	2006 GH¢
INCOME			
Ghana Government Subvention	2	1,913,539	598,237
Other Income	3	<u>991,242</u>	<u>917,838</u>
Total Income		<u>2,904,781</u>	<u>1,516,075</u>
EXPENDITURE:			
Emoluments and Allowances	4	583,386	480,008
Administrative Activity Expenses	5	495,632	301,763
Service Activity Expenses	6	<u>239,669</u>	<u>131,566</u>
Total Expenditure		<u>1,318,687</u>	<u>913,337</u>
<i>Excess of Income Over Expenditure</i>			
<i>Transferred to Accumulated Fund</i>		<u>1,586,094</u>	<u>602,738</u>

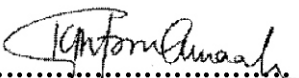
SECURITIES AND EXCHANGE COMMISSION

BALANCE SHEET AS AT 31 DECEMBER, 2007

	Note	2007 GH¢	2006 GH¢
FIXED ASSETS		1,899,858	467,522
CURRENT ASSETS			
Short-Term Investment	9	4,263	458,854
Sundry Debtors	10	206,587	77,716
Prepayments	11	8,525	16,041
Cash at Bank	12	579,168	86,987
Cash on Hand	13	<u>2,903</u>	<u>713</u>
		<u>801,446</u>	<u>640,311</u>
CURRENT LIABILITIES			
Creditors	14	<u>21,513</u>	<u>14,136</u>
		<u>21,513</u>	<u>14,136</u>
NET CURRENT ASSETS		<u>779,933</u>	<u>626,175</u>
NET ASSETS		<u>2,679,792</u>	<u>1,093,698</u>
REPRESENTED BY:			
Accumulated General Fund	15	2,679,792	1,093,698
		<u>2,679,792</u>	<u>1,093,698</u>



COMMISSIONERS



The attached notes 1 to 14 on pages 86 to 90 form an integral part of the financial statements and should be read in conjunction therewith.

SECURITIES AND EXCHANGE COMMISSION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 GH¢	2006 GH¢
Net Operating Surplus	1,586,094	602,738
Adjustment for:		
Depreciation	93,070	39,277
Profit on Sale on Motor Vehicles	(15,250)	-
	1,663,914	642,016
Changes in operating Assets and Liabilities:		
(Increase)/Decrease in Debtors	(128,871)	19,077
Decrease/(Increase) in Prepayment	7,516	(13,286)
Increase/(Decrease) in Creditors	<u>7,377</u>	<u>(23,812)</u>
Net Cashflow from Operating Activities	1,549,936	623,995
Investment Activities:		
Decrease in Investment	454,591	(231,098)
Purchase of Fixed Assets	(1,525,406)	(392,537)
Proceeds of Sale of Fixed Assets	<u>15,250</u>	<u>-</u>
Increase/(Decrease) in Cash Equivalent	<u><u>494,371</u></u>	<u><u>360</u></u>

ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENT

	2007 GH¢	2006 GH¢
Balance B/Fwd @ 01/01/2007	87,700	87,340
Net Change in Cash	<u>494,371</u>	<u>360</u>
Closing Balance @ 31/12/2007	<u><u>582,071</u></u>	<u><u>87,700</u></u>

SECURITIES AND EXCHANGE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2007**

1. ACCOUNTING POLICIES

The financial statements set out on pages 4 to 13 have been prepared in accordance with the following accounting policies.

Basis of Accounting

These financial statements have been prepared using the historical cost convention.

Depreciation

Depreciation is provided on a straight-line basis at rates, calculated to write-off costs of the each fixed assets over its estimated useful economic life to the Commission. The rates applicable were:

Motor Vehicles	-	20%
Furniture, Fixtures & Fittings	-	10%
Office Equipment	-	15%
Household Equipment	-	15%
Motor Bicycles	-	25%
Library Books	-	25%

Foreign Currency

Transactions denominated in foreign currencies are converted using the foreign exchange rates ruling at the date of the transactions. Balances held in foreign currencies are translated into cedis using the exchange rates ruling on the balance sheet date, 31 December, 2007.

SECURITIES AND EXCHANGE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2007**

2 GOVERNMENT SUBVENTION -GH ¢ 1,913,539

	2007	2006
	GH¢	GH¢
This is made up as follows:		
Personnel Emolument	589,283	469,632
Administration	218,426	88,411
Services	22,479	18,721
Investment	<u>1,083,351</u>	<u>21,474</u>
	<u>1,913,539</u>	<u>598,238</u>

3 OTHER INCOME -GH ¢ 991,242

	2007	2006
	GH¢	GH¢
This is made up as follows:		
Licences Fees	86,020	73,500
Investment Income	34,114	26,305
Penalties	80,483	158,898
Transactions Levy	437,283	139,906
Prospectus Approval Fees	202,862	486,591
Bidding Document Fees	1,000	900
Interest On Staff Loans	1,338	48
Foreign Exchange Gain	-	4,005
Subvention for Gratuity	-	17,866
Contribution for Securities Week	1,000	9,526
Auction Proceeds	15,250	-
FINISIP Support	130,400	-
Foreign Trip Foreign Refund	1,234	-
Sale of Corporate Governance Manual	<u>258</u>	<u>292</u>
	<u>991,242</u>	<u>917,837</u>

4 PERSONNEL EMOLUMENTS - GH 583,386

	2007	2006
	GH¢	GH¢
This is made up as follows:		
Basic	346,289	294,265
Employers Contribution	40,486	32,295
Allowance	<u>196,611</u>	<u>153,447</u>
	<u>583,386</u>	<u>480,007</u>

SECURITIES AND EXCHANGE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2007**

5 ADMINISTRATIVE EXPENSES -GH ¢ 495,632

	2007	2006
	GH¢	GH¢
This is made up as follows:		
Electricity and Water	3,217	1,354
Telecommunication	7,248	4,598
Postal Expenses	2,428	356
Security Service	18,149	4,400
Office Cleaning and Sanitation	257	811
Stationery and Office Supplies	11,773	12,085
Entertainment Allowance and Refreshments	14,472	9,993
Publications and Library Books	5,231	3,181
Subscriptions and Membership Fees	3,916	2,134
Rent - Office Accommodation	4,158	3,700
Travelling and Transport	6,273	1,468
Vehicle Running Costs	63,378	58,812
Repairs and Maintenance:		
- Official Vehicles	11,439	10,751
- Furniture and Fittings	883	1,623
- Equipment	14,017	7,325
Vehicle Insurance	10,240	1,594
Bank Charges	489	65
Commissions & Fees	1,068	-
Consultancy Fees/Expenses	10,649	-
Medical Insurance and Expenses	51,873	21,916
Audit Fees/Expenses	3,777	3,361
Donations and Contributions	-	520
Honoraria and Protocol	4,242	5,390
Legal Fees	520	101
Staff Welfare Expenses	7,653	2,525
Acting Allowance	13,986	-
Balance Carried Down	<u>271,336</u>	<u>158,063</u>

SECURITIES AND EXCHANGE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2007**

	Note	2007 GH¢	2006 GH¢
Balance Carried Forward		271,336	158,063
Board Members' Fees		40,668	45,044
Bonus Expenses		47,746	15,969
Accrued Leave Expenses		1,816	16,248
Contract Printing		12,313	6,848
Staff Utility		17,231	18,991
Outstation / Local Hotel Expenses		11,452	1,325
Depreciation		<u>93,070</u>	<u>39,277</u>
		<u>495,632</u>	<u>301,765</u>

6 SERVICE ACTIVITY EXPENSES -GH ¢239,669

	2007 GH¢	2006 GH¢
This is made up as follows:		
Foreign Training & Conferences	121,697	72,887
Staff Local Training	9,682	5,290
Hire of Venue	1,124	3,119
Media Coverage/Publicity	38,083	1,650
Advertisement	11,526	8,986
Hotel Accommodation	47,529	27,396
Printing and Publications	3,716	5,556
Internet Connectivity Charges	<u>6,312</u>	<u>6,681</u>
	<u>239,669</u>	<u>131,565</u>

9 SHORT - TERM INVESTMENT -GH ¢4,263

This represents Short-Term Investments stated at market value.

SECURITIES AND EXCHANGE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2007**

8. FIXED ASSETS SCHEDULE

<u>COST/VALUATION:</u>	Land	Building	Motor Vehicle	Motor Bicycles	Furn., Fixtures & Fittings	Office Equipment	Household Equipment	Library Books	Total
	GHC	GHC	GHC	GHC	GHC	GHC	GHC	GHC	GHC
Balance @ 01/01/2007	380,000	-	85,342	3,248	26,986	223,909	9,206	3,198	731,888
Additions	552,845	743,585	217,731	-	304	9,643	1,198	100	1,525,406
Disposal	0	-	(36,520)	-	-	-	-	-	(36,520)
Balance @ 31/12/2007	932,845	743,585	266,553	3,248	27,290	233,552	10,404	3,298	2,220,774
DEPRECIATION:			20%	25%	10%	15%	15%	25%	
Balance @ 01/01/2007	-	-	85,342	3,035	12,315	155,061	5,752	2,861	264,366
Disposal	-	-	(36,520)	-	-	-	-	-	(36,520)
Charge for the Year	-	-	53,311	-	2,729	35,033	1,561	437	93,070
Balance @ 31/12/2007	-	-	102,133	3,035	15,044	190,094	7,313	3,298	320,916
NET BOOK VALUE:									
AS @ 31/12/2007	932,845	743,585	164,420	213	12,246	43,458	3,092	-	1,899,858
AS @ 31/12/2006	380,000	-	-	214	14,671	68,848	3,454	336	467,523

SECURITIES AND EXCHANGE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2007

10 SUNDRY DEBTORS - ₵206,587

	2007	2006
	GH₵	GH₵
This is made up as follows:		
Staff Rent Advance	25,362	28,245
Accounts Receivable (Ghana Government)	80,957	11,795
Staff Car Loan	85,537	32,543
Staff M'bike Loan	6,315	3,135
Auction Receivable	6,050	-
Personal Loan	2,206	1,997
Refund to GDHC Shareholders	160	-
	<u>206,587</u>	<u>77,715</u>

11 PREPAYMENTS- ₵8,525

	2007	2006
	GH₵	GH₵
This is made up as follows:		
Insurance Prepaid (Vehicle)	8,525	2,156
Insurance Prepaid (Medical)	-	10,528
Security	-	428
SSNIT	-	2,929
	<u>8,525</u>	<u>16,041</u>

12 BANK AND CASH BALANCES- ₵579,168

	2007	2006
	GH₵	GH₵
This is made up as follows:		
Bank of Ghana (Dollar Account)	135,267	3,512
Bank of Ghana (Cedi Account)	62,043	6,969
Ecobank Ghana Ltd. (Account No. 1)	316,910	59,482
Ecobank Ghana Ltd. (Account No. 2)	64,948	17,024
	<u>579,168</u>	<u>86,987</u>

13 CASH ON HAND - ₵2,903

	2007	2006
	GH₵	GH₵
This is made up as follows:		
Petty Cash	108	64
Accountable Imprest	2,795	649
	<u>2,903</u>	<u>713</u>

SECURITIES AND EXCHANGE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2007**

14 CREDITORS - ₵21,513

	2007	2006
	GH₵	GH₵
This is made up as follows:		
Electricity Company of Ghana	86	137
Ghana Water Company Ltd	32	26
Ghana Telecom Ltd	140	263
IRS - PAYE	2,393	-
SSNIT	3,449	-
Audit Fees	3,450	4,121
State Enterprises Commission - Rent	-	900
State Enterprises Commission - Security	-	180
State Enterprises Commission - Sanitation	-	11
Withholding Tax Payable	1,816	1,816
Security-Westech	2,185	2,116
Members Allowance Accrued	-	-
Shell Castle Road-Fuel	6,353	4,260
Staff Welfare Fund	205	-
Provident Fund	1,404	-
Unrealised Interest	-	306
	<u>21,513</u>	<u>14,136</u>

15 ACCUMULATED FUND - ₵2,679,792

	2007	2006
	GH₵	GH₵
This is made up as follows:		
Balance @ 01/01	1,093,698	490,959
Transfer from Income and Expenditure	<u>1,586,094</u>	<u>602,738</u>
Balance @ 31/12	<u>2,679,792</u>	<u>1,093,698</u>



Register of Licensed Market Operators

LICENSED BROKER-DEALERS(2007-2008)

A. BROKER-DEALER

CAL BROKERS LIMITED

45 Independence Avenue
P. O. Box 14596
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Tel: 021 -680052, 021-680061-9
Email: calbrokers@calbank-gh.com
Website: www.calbank-gh.com

NTHC SECURITIES LIMITED

Martco House
Okai Mensah Link,, Adabraka
P. O. Box KIA 9563
Airport, Accra
Tel: 238492 -3/235814-5
Fax: 229975/240243
Email: nthc@ghana.com

SDC BROKERAGE SERVICES LIMITED

1st Floor Former Npart Building
Asafoatse Street,
P. O. Office Sqaure
P. O. Box GP 14198, Accra
Tel: 021 -669372-5
Fax: 021 -669371
Email: brokerages@sdcggh.com
Website: www.sdcgh.com

EDC STOCKBROKERS LTD.

19th Seventh Avenue
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Email: ecobankgh@ecobank.com

IC SECURITIES LTD.

West Bank Lane
3rd Floor, Ghana House
High Street, Accra.
Tel: (021) 671285
Fax: (021) 671287
Email: icsecurities@icsecurities.com

STRATEGIC AFRICAN SECURITIES LIMITED

2nd Rigde Link,
North Ridge
P. O. Box 16446
Accra
Tel: 251546-9 / 7011770
Fax: 251550-1 / 7010774
Email: sasltd@africaonline.com.gh

GOLD COAST SECURITIES LIMITED

18 8th Avenue Ridge
P. O. Box GP 17187
Accra
TEL: (021) 256342/3
Fax: (021) 256344
Email: gclspartner@yahoo.com

NEW WORLD RENAISSANCE SECURITIES LTD.

2nd Floor Heritage Tower,
Ambassadorial Enclave
P. O. Box CT 2868
Cantonments, Accra
Tel: 021 -660163/676979/676980
Fax: 021-670518
Email: service@newworldqgh.com
Website: www.newworld.com.gh

DATABANK BROKERAGE LIMITED

No. 61 Barnes Road
Adabraka
PMB, Ministries Post Office
Accra
Tel: 021 -669110/669417/662363
Fax: 021 -669100
Email: info@ databankgh.com
Website: www.databankgroup.com

WORLDWIDE SECURITIES LIMITED

No. 8 Ringway Link
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Osu - Accra
Tel: 021 -764578, 021-256001
Fax: 021 -764580
Email: info@worldwidesecurities-gh.com
Website: www.worldwidesecurities-gh.com

HFC BROKERAGE SERVICES LTD.

6 Sixth Avenue Ambassadorial Enclave,
West Ridge, Accra.
P. O. Box CT 4603
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Fax: (233-21) 664106
Email: brokerage@hfcbank-gh.com
Website: www.hfcbank-gh.com

SIC FINANCIAL SERVICES LIMITED

No. 28/29 Ring Road East (Nyemitei House)
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P. O. Box 2363, Accra, Ghana.
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Fax: 767021
Email: infofsl@sic-gh.com
Website: www.sic-fsl.com

FIRST ATLANTIC BROKERS LTD.

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MERBAN STOCKBROKERS LIMITED

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LIBERTY INVESTMENTS LIMITED

P. O. Box AT 415
Achimota
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PRUDENTIAL SECURITIES LIMITED

8 Nima Avenue,
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Fax: (233-21) 768046
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CDH SECURITIES LIMITED

No. 36 Independence Avenue, North Ridge
P. O. Box 14911 Accra Ghana
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Fax: (233-21) 662167
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**LIBERTY CAPITAL (GHANA)
CO. LIMITED**

Reid Bethune Vertical Centre
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GOLD COAST SECURITIES LIMITED

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Email: gclspartner@yahoo.com

NEW WORLD RENAISSANCE SECURITIES LTD.

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Website: www.databankgh.com

ECOBANK INVESTMENT MANAGERS LIMITED

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MERBAN INVESTMENT HOLDINGS LTD.

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JCS INVESTMENT LTD.

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SEM CAPITAL MANAGEMENT LTD.

Suite 415, SSNIT Tower Block
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NEW GENERATION INVESTMENT SERVICES LTD.

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Tel: 051 -91607-9
Fax: 051 - 34854/31286

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FIDELITY ASSET MANAGEMENT LTD.

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Fax: (233) -21-245851
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Website: www.fidelityghana.com

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Fax: (233 -21) 768046
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QUAD INVESTMENT LTD.

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2nd Flr Anum Yemoh Plaza
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SIC FINANCIAL SERVICES LTD.

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Fax: 767021
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Website: www.sic-fsl.com

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Website: www.fidelitycapitalpartners.com

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Fax: (233) -21-518063
Email: lcl@pilgrimgh.com

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Website: www.icsecurities.com

BLACK STAR ADVISORS LTD.

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Osu – Accra.
Tel: .(021) 785553
Fax: (021) – 768067
Email: info@blackstaradvisors.com

STANBIC INVESTMENT MANAGEMENT LIMITED

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Cantonments, Accra.
Tel :687670-8
Email : asiedu@stanbic.com.gh
boamahk@stanbic.com.gh

LICENSED COLLECTIVE INVESTMENT SCHEMES (2006- 2007)

A. MUTUAL FUNDS

EPACK INVESTMENT FUND LIMITED

No. 61 Barnes Road
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PMB, Ministries Post Office
Accra
Tel: 021 -681404, 021-7010070
Fax: 021 -681443, 021-669100
Email: info@databankgh.com
Website: www.databankgh.com

DATABANK MONEY MARKET FUND LIMITED

No. 61 Barnes Road
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PMB, Ministries Post Office
Accra
Tel: 021 -681404, 021-7010070
Fax: 021 -681443, 021-669100
Email: info@databankgh.com
Website: www.databankgh.com

DATABANK JUBILEE FUND

No. 61 Barnes Road
Adabraka
PMB, Ministries Post Office
Accra
Tel: 021 -681404, 021-7010070
Fax: 021 -681443, 021-669100
Email: info@databankgh.com
Website: www.databankgh.com

DATABANK BALANCED FUND

No. 61 Barnes Road
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PMB, Ministries Post Office
Accra
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Fax: 021 -681443, 021-669100
Email: info@databankgh.com
Website: www.databankgh.com

NTHC HORIZON FUND LIMITED

Martco House, Adabraka
P. O. Box KIA 9563
Airport
Accra
Tel: 238492 -3
Email: nthc@ghana.com

SAS FORTUNE FUND LIMITED

2nd Ridge Link, North Ridge
P. O. Box 16446
Accra
Tel: 251546 -9 / 7011770
Fax: 251550 -1 / 7010774
Email: sasltd@africaonline.com.gh

CAMPUS MUTUAL FUND LIMITED

1st Floor Former Npart Building
(Adjacent AMA)
House No. D921/3
Asafoatse Nettoy Street, Post Office Square
P. O. Box GP 14198
Accra
Tel: 021 -669372-5
Fax: 021 -669371

ANIDASO MUTUAL FUND LIMITED

1st Floor
Cocobod Jubilee House, Adum
Kumasi
P. O. Box UPO 603
Kumasi
Tel: 051 -91607-9, 024-3854452
Email: newgenerationghana@yahoo.com

B. UNIT TRUSTS

HFC UNIT TRUST

6 Sixth Avenue Ambassadorial Enclave,
West Ridge, Accra.
P O Box CT 4603
Cantoments, Accra.
Tel: (233 -21) 683891-3, 664203, 664214,
Fax: (233 -21) 664106
Email: brokerage@hfcbank-gh.com
Website: www.hfcbank-gh.com

HFC EQUITY TRUST

6 Sixth Avenue Ambassadorial Enclave,
West Ridge, Accra.
P O Box CT 4603
Cantoments, Accra.
Tel: (233 -21) 683891-3, 664203, 664214,
Fax: (233 -21) 664106
Email: brokerage@hfcbank-gh.com
Website: www.hfcbank-gh.com

HFC REAL ESTATE INVESTMENT TRUST

6 Sixth Avenue Ambassadorial Enclave,
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Email: brokerage@hfcbank-gh.com
Website: www.hfcbank-gh.com

GOLD FUND UNIT TRUST

21 Dr. Isert Road
North Ridge,
Near The Royal Danish Embassy
P. O. Box GP 17187,
Accra
Email: gcs@goldcoast.com

LICENSED CUSTODIANS

BARCLAYS BANK GHANA LIMITED

Barclays bank Securities Services
Barclays House, High Street, Accra
P. O. Box GP 2949, Accra
Tel: 669258/664901 -4
Fax: 667681
Email: ghanasecurities@barclays.com

MERCHANT BANK GHANA LIMITED

Merban House,
44 Kwame Nkrumah Ave. , Accra
P. O. Box 401
Accra

STANBIC BANK GHANA LIMITED

Valco Trust House
Castle Road, Ridge
P. O. Box CT 2344
Cantonments-Accra
Tel: 687670 -8
Fax: 687669/7011591
Email: stanbicghana@stanbic.com.gh

PROVIDENT INSURANCE COMPANY LIMITED

Provident Tower
Ring Road Central
P.O Box 782
Accra
Tel: 229807/233964/221096
Fax: 239463

LICENCED TRUSTEE

MERCHANT BANK GHANA LIMITED

Merban House,
44 Kwame Nkrumah Ave. , Accra
P. O. Box 401
Accra

LICENCED REGISTRARS

GHANA COMMERCIAL BANK LTD.

Share Registry Office
High Street, Accra

MERCHANT BANK GHANA LIMITED

Merban House,
44 Kwame Nkrumah Ave. , Accra
P.O Box 401
Accra

NTHC LIMITED

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